



**NOTICE OF SPECIAL MEETING  
AND MANAGEMENT INFORMATION CIRCULAR  
WITH RESPECT TO A SPECIAL MEETING OF  
SECURITYHOLDERS  
OF  
CLOUDMD SOFTWARE & SERVICES INC.**

**TO BE HELD ON JUNE 27, 2024 AT 10:00 A.M. (Toronto time)**

**These materials are important and require your immediate attention. These materials require securityholders of CloudMD Software & Services Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors.**

**If you have any questions or require more information with regard to the procedures for voting or completing your transmittal documentation, please contact the proxy solicitation agent and shareholder communications advisor, Laurel Hill Advisory Group, by telephone at 1.877.452.7184 (North American Toll Free) or 416.304.0211 (Outside North America); or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).**

**RECOMMENDATION TO SECURITYHOLDERS:**

**YOUR VOTE IS IMPORTANT, TAKE ACTION AND VOTE TODAY. THE BOARD OF DIRECTORS OF CLOUDMD UNANIMOUSLY RECOMMENDS THAT SECURITYHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION.**

**May 29, 2024**





Dear Shareholders and Optionholders:

On behalf of the Board of Directors (the “**Board**”) of CloudMD Software & Services Inc. (the “**Company**” or “**CloudMD**”), we would like to invite you to attend a special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares of CloudMD (“**Shares**”) and the holders (the “**Optionholders**”, and collectively with the Shareholders, the “**Securityholders**”) of stock options of the Company (“**Options**”) to be held in a virtual meeting format (conducted via audio webcast at <https://web.lumiconnect.com/416813823>) at 10:00 a.m. (Toronto time) on June 27, 2024.

## THE ARRANGEMENT

On May 14, 2024, the Company entered into an arrangement agreement (the “**Arrangement Agreement**”) with 1480775 B.C. Ltd., an affiliate of CPS Capital LP (a private equity investment firm) (the “**Purchaser**”), in respect of a proposed statutory plan of arrangement (the “**Arrangement**”) under the *Business Corporations Act* (British Columbia). The purpose of the Arrangement is to, among other things, permit the acquisition by the Purchaser of all of the issued and outstanding Shares. If the Arrangement becomes effective, each Shareholder, other than any Shareholder who has validly exercised its dissent rights, will receive cash consideration of \$0.04 for each Share held (the “**Consideration**”).

In addition, the Company will take all reasonable steps to cancel the securities that are outstanding under the Company’s omnibus incentive plan (the “**Incentive Plan**”) immediately prior to the effective time of the Arrangement and, in exchange for such cancellation, holders of such securities will be entitled to the following amounts, subject to withholding taxes where applicable: (i) in respect of each outstanding Option granted pursuant to the Incentive Plan, whether vested or unvested, an amount in cash equal to the Consideration less the applicable exercise price in respect of such Option, if any, and any Options which are out-of-the-money will be cancelled for no consideration; (ii) in respect of each outstanding restricted share unit granted pursuant to the Incentive Plan, whether vested or unvested, an amount in cash equal to the Consideration; and (iii) in respect of each outstanding deferred share unit granted pursuant to the Incentive Plan, whether vested or unvested, an amount in cash equal to the Consideration.

At the Meeting, Securityholders will, among other things, be asked to consider and, if deemed advisable, pass a special resolution (the “**Arrangement Resolution**”) approving the Arrangement. The accompanying management information circular (“**Circular**”) contains a detailed description of the Arrangement and other information relating to CloudMD. Assuming that all of the conditions to the Arrangement are satisfied or waived, CloudMD expects the Arrangement to be completed in July 2024.

If the Arrangement Resolution is not approved, the Arrangement will not be completed. **Failure to complete the Arrangement could have a material adverse effect on the Company and the market price of the Shares. If the Arrangement is not completed, the Company does not expect that there will be an alternative that would provide any value to the holders of CloudMD’s equity securities. See “Reasons for the Board Recommendation” below.**

## BOARD RECOMMENDATION

The Board, based in part on the unanimous recommendation of a special committee of the Board (the “**Special Committee**”) and the fairness opinion (the “**Fairness Opinion**”) received from INFOR Financial Inc. (the “**Financial Advisor**”), has unanimously determined that the Arrangement is fair to Securityholders and is in the best interests of the Company, and unanimously **recommends** that the Securityholders vote **FOR** the Arrangement Resolution. The determination of the Special Committee and the Board is based on various factors described more fully in the accompanying Circular.

## REASONS FOR THE BOARD RECOMMENDATION

The Board and the Special Committee, in unanimously determining that the Arrangement is fair to the Securityholders and in the best interests of the Company, and in making its unanimous recommendation to Securityholders, considered and relied upon a number of factors, including, among others, the following:

1. **Process** – The Arrangement with the Purchaser is the culmination of a process that included a strategic review that was initiated in August 2022 and overseen by a special committee and the strategic and liquidity review that the Special Committee has been engaged in since July 2023, with the assistance of the Financial Advisor. During that time, the Company, through its advisors, canvassed numerous other potential parties, none of which were prepared to make an executable binding offer to acquire the Company or provide capital to support the Company's path to positive cash flow. The Arrangement provides the capital to support the Company's business with specific consideration to all of the Company's stakeholders and was the best alternative available to ensure the ongoing viability of the Company. Failure to complete the Arrangement could materially and negatively impact the trading price of the Shares and if the Arrangement is not completed, the Company does not expect that there will be an alternative that would provide any value to the Securityholders.
2. **Business and Industry Risks** – The Board and the Special Committee concluded that the Consideration provides certainty of value to Securityholders, which Securityholders may consider as more favourable than continuing with the Company's current business plan, in light of the risks and uncertainties affecting the Company and its business. These risks and uncertainties include: the current business, operations, assets, financial performance and condition, operating results and prospects of the Company, the outstanding indebtedness under the Credit Facilities and their near-term maturity, its limited cash resources, the current industry and economic conditions and trends.
3. **Fairness Opinion** – The Fairness Opinion from the Financial Advisor that, subject to and based on the considerations, qualifications, assumptions and limitations described therein, the Consideration is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion is appended as Appendix C to this Circular. Securityholders are urged to read the Fairness Opinion in its entirety.
4. **Acceptance by Directors and Officers** – Pursuant to the Voting Agreements, the Supporting Securityholders have agreed to vote all of their Shares and Options in favour of the Arrangement Resolution.
5. **Form of Consideration** – The form of consideration payable to Securityholders, being cash, provides certainty of value and immediate liquidity.
6. **Credibility of the Guarantors** – The Guarantors' commitment, credit worthiness and record of completing transactions and the fact that the Purchaser's obligations, including its obligation to pay the Consideration and the Payout Amount, have been guaranteed by the Guarantors. The Guarantors are expected to be better able to withstand costs, payments, fees and other expenses, in part as a result of their financial position and access to capital.
7. **Ability to Respond to Unsolicited Superior Proposals** – On and subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited *bona fide* written Acquisition Proposal that, having regard for all of its terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to Securityholders from a financial point of view than the Arrangement and the fact that the amount of the Company Termination Fee payable in certain circumstances, being \$3,000,000, would not, in the view of the Board and the Special Committee, after consultation with their legal and financial advisors, preclude a third party from potentially making a Superior Proposal.
8. **Negotiated Transaction** – The Arrangement Agreement was the result of a comprehensive negotiation process with respect to the key elements of the Arrangement Agreement and Plan of Arrangement, which includes terms and conditions that are reasonable in the judgment of the Special Committee and the Board.

9. **Fairness of the Conditions** – The Arrangement Agreement provides for certain conditions to complete the Plan of Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied.
10. **No Financing Condition** – The Purchaser’s obligation to pay the aggregate Consideration and the Payout Amount is not subject to a financing condition.
11. **Securityholder Approval** – The Arrangement Resolution must approved by an affirmative vote of at least: (i) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders; (ii) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by Shareholders and Optionholders, voting together as a single class; and (iii) a simple majority of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders, excluding the Excluded Shares in accordance with MI 61-101.
12. **Regulatory Approval** – The Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Securityholders.
13. **Dissent Rights** – The terms of the Arrangement provide that registered Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise Dissent Rights and, if ultimately successful, receive fair value for their Shares (as described in the Plan of Arrangement).

## **VOTING AGREEMENTS**

The Purchaser has entered into voting agreements (each, a “**Voting Agreement**”) with each director and officer of CloudMD (collectively, the “**Supporting Securityholders**”), pursuant to which the Supporting Securityholders have agreed, subject to the terms and conditions of the relevant Voting Agreement, to, among other things, vote all of their Shares and Options in favour of the Arrangement Resolution. The Supporting Securityholders collectively beneficially own or exercise control or direction over an aggregate of 477,373 Shares and 1,366,667 Options, representing approximately 0.16% of the outstanding Shares and 0.60% of the outstanding Shares and Options collectively, as of May 23, 2024.

## **APPROVAL REQUIREMENTS**

In order to become effective, the Arrangement Resolution must be approved by an affirmative vote of at least: (i) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders; (ii) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by Shareholders and Optionholders, voting together as a single class; and (iii) a simple majority of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders, excluding the Shares held by an “interested party” required to be excluded in accordance with MI 61-101. The Arrangement also requires the approval of the Supreme Court of British Columbia and is subject to the satisfaction of certain other customary conditions for a transaction of this nature.

**This is an important matter affecting the future of CloudMD and your vote is important regardless of the number of Shares and/or Options you own.**

## **VOTING PRIOR TO OR AT THE MEETING**

We strongly encourage registered Securityholders to vote on the matters before the Meeting by proxy in the manner set out below (and in the Circular) regardless of whether Securityholders will be attending the Meeting virtually. **Voting is easy. Vote well in advance of the proxy cut-off time at 10:00 a.m. (Toronto time) on June 25, 2024.**

| <b>Voting Method</b>                        | <b>Registered Shareholders and Optionholders</b><br>If your securities are held in your name and represented by a physical certificate or DRS statement.   | <b>Non-Registered Shareholders</b><br>If your securities are held with a broker, bank or other intermediary.   |
|---|--|--|
| <b><i>Voting Prior to the Meeting</i></b>   |  |  |
| <b>Internet</b>                             | Go to <a href="http://www.eproxy.ca">www.eproxy.ca</a> . Enter the 12-digit control number and password printed on the form of proxy and follow the instructions on screen.  | Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> . Enter the 16-digit control number printed on the voting information form (“VIF”) and follow the instructions on screen.   |
| <b>Fax</b>                                  | Complete, date and sign the proxy and fax it to:<br>604.559.8908   | Complete, date, and sign the VIF and fax it to the number listed on the VIF.   |
| <b>Mail</b>                                 | Enter voting instructions, sign, and date the form of proxy and return your completed form of proxy to:<br><b>Endeavor Trust Corporation<br/>702 – 777 Hornby Street<br/>Vancouver, BC V6Z 1S4</b>   | Enter your voting instructions, sign and date the VIF, and return the completed VIF.   |
| <b><i>Attending the Virtual Meeting</i></b> |  |  |
| <b>Online At the Meeting</b>                | <ol style="list-style-type: none"> <li>1. Log into <a href="https://web.lumiconnect.com/416813823">https://web.lumiconnect.com/416813823</a> on the Meeting Date.</li> <li>2. Click on “I have a Login”.</li> <li>3. Enter the 12-digit control number as your username (located on the form of proxy or in the email notification you received).</li> <li>4. Enter the password: cloudmd2024 (case sensitive).</li> </ol> | <ol style="list-style-type: none"> <li>1. Enter your own name(s) in the blank space on the VIF or form of proxy provided and return the same to your broker (or the broker’s agent), prior to 10:00 a.m. (Toronto time) on June 25, 2024.</li> <li>2. Register with Endeavor by email at <a href="mailto:proxy@endeavortrust.com">proxy@endeavortrust.com</a> or by calling toll-free at 1.888.787.0888.</li> <li>3. Log into <a href="https://web.lumiconnect.com/416813823">https://web.lumiconnect.com/416813823</a> on the Meeting Date.</li> <li>4. Click on “I have a Login”.</li> <li>5. Enter your user ID number or username, which Endeavor will have provided to you by email, and enter the password: cloudmd2024 (case sensitive).</li> </ol> |

Registered Shareholders that hold certificate(s) representing Shares should complete and return the enclosed letter of transmittal which, when properly completed and duly executed and returned to Endeavor, as the depositary in respect of the Arrangement (the “**Depositary**”), together with the certificate(s) representing their Shares and such additional documents, certificates and instruments as the Depositary may reasonably require, will enable each registered Shareholder to obtain the Consideration to which such registered Shareholder is entitled under the Arrangement. You are not required to send in your certificate(s) representing Shares to validly cast your vote in respect of the Arrangement at the Meeting. However, we encourage registered Shareholders to complete, sign, date and return the letter of transmittal, together with their certificate(s) to the Depositary as soon as possible, and preferably no later than two business days prior to the effective date of the Arrangement, which will assist in arranging for the prompt payment of the Consideration to which such registered Shareholders are entitled once the Arrangement is completed. The Depositary will use the “push out” method for delivery of the Consideration for those registered Shareholders that hold Shares through the Direct Registration System, so delivery of a letter of transmittal is not required.

## SECURITYHOLDER QUESTIONS

We urge you to carefully consider all of the information in the Circular. If you require assistance, please consult your financial, legal or other professional advisors.

If you have any questions or require more information with regard to the procedures for voting or completing your proxy or voting instruction form, please contact Laurel Hill Advisory Group, by telephone at 1.877.452.7184 (North American Toll Free) or 416.304.0211 (Outside North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

On behalf of CloudMD, we would like to thank all Securityholders for their ongoing support.

Yours truly,

*"Graeme McPhail"*

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Graeme McPhail

Chair of the Board of Directors

## NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS

NOTICE IS HEREBY GIVEN that, pursuant to an interim order of the Supreme Court of British Columbia (the “**Court**”) dated May 29, 2024 (the “**Interim Order**”), a special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Shares**”) of CloudMD Software & Services Inc. (“**CloudMD**” or the “**Company**”) and the holders (the “**Optionholders**”, and collectively with the Shareholders, the “**Securityholders**”) of stock options of the Company (“**Options**”) will be held virtually (conducted via audio webcast at <https://web.lumiconnect.com/416813823>), at 10:00 a.m. (Toronto time) on June 27, 2024, for the following purposes:

1. to consider and, if thought advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”) to approve a plan of arrangement (the “**Plan of Arrangement**”) pursuant to Division 5 of Part 9 of the *Business Corporations Act (British Columbia)* (the “**BCBCA**”) involving CloudMD and 1480775 B.C. Ltd. (the “**Purchaser**”) pursuant to an arrangement agreement dated May 14, 2024 between CloudMD and the Purchaser. The full text of the Arrangement Resolution is set forth in Appendix A to the accompanying management information circular dated May 29, 2024 (the “**Circular**”); and
2. to transact such other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Circular. Completion of the proposed Plan of Arrangement is conditional upon certain other matters described in the Circular, including the approval of the Court and receipt of required regulatory approvals.

**THE BOARD OF DIRECTORS OF CLOUDMD, AFTER CONSULTATION WITH ITS LEGAL AND FINANCIAL ADVISORS, UNANIMOUSLY RECOMMENDS THAT SECURITYHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION.**

The Board of Directors of CloudMD has fixed the record date for determining the Securityholders entitled to receive notice of and vote at the Meeting as the close of business on May 23, 2024 (the “**Record Date**”). Only registered Shareholders and Optionholders as of the Record Date are entitled to receive notice of, attend and vote at the Meeting.

We strongly encourage registered Securityholders to vote on the matters before the Meeting by proxy in the manner set out below (and in the Circular). To be effective, a proxy form must be received by the Company’s transfer agent, Endeavor Trust Corporation, no later than 10:00 a.m. (Toronto time) on June 25, 2024, or in the case of any postponement or adjournment of the Meeting, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting. Late forms of proxy may be accepted or rejected by the Chair of the Meeting in the Chair’s discretion, and the Chair is under no obligation to accept or reject any particular late form of proxy.

Registered Shareholders and Optionholders may attend, participate in and vote at the Meeting virtually via audio webcast at <https://web.lumiconnect.com/416813823>, provided they are connected to the internet and comply with all of the requirements set out in the Circular.

Non-registered Shareholders will be able to attend, participate in and vote at the Meeting virtually via audio webcast at <https://web.lumiconnect.com/416813823> if they duly appoint themselves as proxyholder through the method specified by their intermediary and comply with all of the requirements set out in the Circular relating to that appointment and registration. If a non-registered Shareholder does not comply with these requirements, that non-registered Shareholder may be able to attend the Meeting as a guest but will not be able to vote or ask questions at the Meeting.

Registered Shareholders or Optionholders who are unable to attend the Meeting, or any postponement or adjournment thereof, are requested to complete, date, and sign the accompanying form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the accompanying Circular. The time limit for the deposit of proxies may be waived by the Chair of the Meeting in their sole discretion without notice.

If you are a non-registered (beneficial) Shareholder and have received these materials through an Intermediary, please complete and return the voting instruction form provided to you by your broker or other intermediary in accordance with the instructions provided therein.

Pursuant to and in accordance with the Plan of Arrangement, attached as Appendix B to the accompanying Circular, the Interim Order and the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement, registered Shareholders have the right to dissent in respect of the Arrangement Resolution. If the Arrangement is completed, dissenting Shareholders who comply with the procedures set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement, will be entitled to be paid the fair value of their Shares by the Purchaser. **There can be no assurance that a dissenting Shareholder will receive consideration for their Shares of equal value to the consideration that such dissenting Shareholder would have received under the Arrangement.** This dissent right is summarized in the Circular. Failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA (as modified by the Interim Order and the Plan of Arrangement) may result in the loss or unavailability of any right to dissent with respect to the Arrangement.

Persons who are beneficial Shareholders who wish to dissent in respect of the Arrangement Resolution should be aware that only registered Shareholders are entitled to dissent. Accordingly, a beneficial Shareholder desiring to exercise this right of dissent must make arrangements for the Shares beneficially owned by such person to be registered in their name prior to the time the written notice of dissent to the Arrangement Resolution is required to be received by CloudMD or, alternatively, make arrangements for the registered Shareholder to dissent on their behalf.

Your vote is very important, regardless of the number of securities that you own. Whether or not you expect to attend the Meeting, we encourage you to vote your form of proxy or voting instruction form, as applicable, as promptly as possible using the following methods to ensure that your vote will be counted at the Meeting.

**Voting is easy. Vote well in advance of the proxy cut-off time at 10:00 a.m. (Toronto time) on June 25, 2024.**

| <b>Voting Method</b>                      | <b>Registered Shareholders and Optionholders</b><br>If your securities are held in your name and represented by a physical certificate or DRS statement.   | <b>Non-Registered Shareholders</b><br>If your securities are held with a broker, bank or other intermediary.   |
|---|--|--|
| <b><i>Voting Prior to the Meeting</i></b> |  |  |
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| <b>Mail</b>                               | Enter voting instructions, sign, and date the form of proxy and return your completed form of proxy to:<br><b>Endeavor Trust Corporation<br/>702 – 777 Hornby Street<br/>Vancouver, BC V6Z 1S4</b> | Enter your voting instructions, sign and date the VIF, and return the completed VIF.   |

| Voting Method                        | Registered Shareholders and Optionholders<br>If your securities are held in your name and represented by a physical certificate or DRS statement.  | Non-Registered Shareholders<br>If your securities are held with a broker, bank or other intermediary.  |
|--------------------------------------|--|--|
| <b>Attending the Virtual Meeting</b> |  |  |
| <b>Online At the Meeting</b>         | <ol style="list-style-type: none"> <li>1. Log into <a href="https://web.lumiconnect.com/416813823">https://web.lumiconnect.com/416813823</a> on the Meeting Date.</li> <li>2. Click on “I have a Login”.</li> <li>3. Enter the 12-digit control number as your username (located on the form of proxy or in the email notification you received).</li> <li>4. Enter the password: cloudmd2024 (case sensitive).</li> </ol> | <ol style="list-style-type: none"> <li>1. Enter your own name(s) in the blank space on the VIF or form of proxy provided and return the same to your broker (or the broker’s agent), prior to 10:00 a.m. (Toronto time) on June 25, 2024.</li> <li>2. Register with Endeavor by email at <a href="mailto:proxy@endeavortrust.com">proxy@endeavortrust.com</a> or by calling toll-free at 1.888.787.0888.</li> <li>3. Log into <a href="https://web.lumiconnect.com/416813823">https://web.lumiconnect.com/416813823</a> on the Meeting Date.</li> <li>4. Click on “I have a Login”.</li> <li>5. Enter your user ID number or username, which Endeavor will have provided to you by email, and enter the password: cloudmd2024 (case sensitive).</li> </ol> |

In order for registered Shareholders that hold certificate(s) representing Shares to receive the consideration they are entitled to upon completion of the Arrangement, such registered Shareholders must complete and sign the letter of transmittal and return such letter of transmittal, together with their share certificate(s) and related documents to the Depositary in accordance with the procedures set out in the letter of transmittal. The Depositary will use the “push out” method for delivery of the consideration to those registered Shareholders that hold Shares through the Direct Registration System, so delivery of a letter of transmittal is not required.

**Laurel Hill Advisory Group is acting as CloudMD’s proxy solicitation agent and shareholder communications advisor. If you have any questions or require any assistance in completing your proxy or voting instruction form, please contact Laurel Hill Advisory Group by telephone at 1.877.452.7184 (North American Toll Free) or 416.304.0211 (Outside North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).**

**DATED this 29<sup>th</sup> day of May, 2024.**

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Graeme McPhail”*

Chair of the Board of Directors

## TABLE OF CONTENTS

|  |    |
|--|----|
| GLOSSARY OF TERMS.....   | 1  |
| GENERAL PROXY INFORMATION .....  | 11 |
| Solicitation of Proxies.....   | 11 |
| Proxy Instructions.....  | 11 |
| Appointment of Proxyholder .....   | 11 |
| Revocation of Proxies.....   | 12 |
| Special Instructions for Voting by Non-Registered Shareholders .....           | 12 |
| Voting Prior To or At the Meeting .....  | 13 |
| Voting Securities and Principal Holders Thereof.....                           | 14 |
| REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES.....                            | 15 |
| CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS.....                 | 15 |
| NOTICE TO SECURITYHOLDERS NOT RESIDENT IN CANADA.....                          | 16 |
| NOTICE REGARDING INFORMATION .....   | 16 |
| QUESTIONS AND ANSWERS ABOUT THE MEETING AND THE ARRANGEMENT .....              | 18 |
| SUMMARY OF CIRCULAR .....  | 23 |
| The Meeting.....   | 23 |
| Purpose of the Meeting.....  | 23 |
| Effect of the Arrangement .....  | 23 |
| Securityholder Approval.....   | 23 |
| The Arrangement.....   | 23 |
| Recommendation of the Special Committee.....                                   | 25 |
| Recommendation of the Board .....  | 25 |
| Voting Agreements.....   | 25 |
| Fairness Opinion.....  | 26 |
| Parties to the Arrangement .....   | 26 |
| Letter of Transmittal.....   | 26 |
| Court Approval.....  | 27 |
| Interests of Certain Directors and Executive Officers in the Arrangement ..... | 27 |
| The Arrangement Agreement.....   | 27 |
| CPS Bridge Loan.....   | 27 |
| Forbearance and Term Facility.....   | 27 |
| Rights of Dissent .....  | 28 |
| Risk Factors .....   | 28 |
| Income Tax Considerations.....   | 28 |
| THE ARRANGEMENT.....   | 29 |
| Background to the Arrangement.....   | 29 |
| Reasons for the Arrangement .....  | 32 |
| Special Committee.....   | 34 |

|  |           |
|--|-----------|
| Recommendation of the Special Committee.....                                   | 35        |
| Recommendation of the Board .....  | 35        |
| Fairness Opinion.....  | 36        |
| Voting Agreements.....   | 36        |
| Description of the Arrangement .....   | 37        |
| Required Securityholder Approval .....   | 40        |
| Court Approval .....   | 40        |
| Letter of Transmittal.....   | 41        |
| Payment of Consideration.....  | 41        |
| Lost Certificates.....   | 42        |
| Cancellation of Rights .....   | 42        |
| Withholding Rights.....  | 42        |
| Treatment of Options, RSUs and DSUs .....                                      | 43        |
| CPS Bridge Loan.....   | 43        |
| Forbearance and Term Facility.....   | 43        |
| Expenses of the Arrangement.....   | 44        |
| Interests of Certain Directors and Executive Officers in the Arrangement ..... | 44        |
| Business Combination under MI 61-101 .....                                     | 46        |
| <b>THE ARRANGEMENT AGREEMENT .....</b>   | <b>47</b> |
| Covenants .....  | 48        |
| Guarantee.....   | 53        |
| Representations and Warranties.....  | 53        |
| Conditions of Closing.....   | 53        |
| Termination .....  | 55        |
| Termination Fees and Expense Reimbursement.....                                | 56        |
| Amendments.....  | 56        |
| <b>RISK FACTORS RELATING TO THE ARRANGEMENT.....</b>                           | <b>57</b> |
| <b>INFORMATION REGARDING CLOUDMD .....</b>                                     | <b>59</b> |
| Market for Securities .....  | 59        |
| Previous Distributions .....   | 60        |
| Financial Statements .....   | 67        |
| Dividend Policy .....  | 67        |
| <b>INFORMATION REGARDING THE PURCHASER.....</b>                                | <b>67</b> |
| <b>RIGHTS OF DISSENTING SHAREHOLDERS .....</b>                                 | <b>67</b> |
| <b>CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....</b>                 | <b>70</b> |
| Holders Resident in Canada.....  | 71        |
| Holders Not Resident in Canada.....  | 73        |
| Disposition of Shares.....   | 73        |

|  |     |
|--|-----|
| INDEBTEDNESS OF OFFICERS AND DIRECTORS OF CLOUDMD .....          | 74  |
| INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON .....    | 74  |
| INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....      | 74  |
| MANAGEMENT CONTRACTS .....                                       | 74  |
| ADDITIONAL INFORMATION .....                                     | 74  |
| OTHER MATTERS .....  | 75  |
| DIRECTORS' APPROVAL .....  | 75  |
| CONSENT OF INFOR FINANCIAL INC. ....                             | 76  |
| APPENDIX A ARRANGEMENT RESOLUTION .....                          | A-1 |
| APPENDIX B PLAN OF ARRANGEMENT .....                             | B-1 |
| APPENDIX C FAIRNESS OPINION .....                                | C-1 |
| APPENDIX D INTERIM ORDER .....                                   | D-1 |
| APPENDIX E NOTICE OF PETITION AND PETITION FOR FINAL ORDER ..... | E-1 |
| APPENDIX F DISSENT PROVISIONS .....                              | F-1 |

## GLOSSARY OF TERMS

In this Circular, the following capitalized words and terms shall have the following meanings:

“**Acceptable Confidentiality Agreement**” has the meaning ascribed thereto under “*The Arrangement – Covenants – Covenants Regarding Non-Solicitation*”;

“**Acquisition Proposal**” means, other than the transactions contemplated by the Arrangement Agreement and other than the Held-for-Sale Transaction or any transaction involving only the Company and/or one or more of its Subsidiaries or between one or more of its Subsidiaries, any written offer, inquiry or proposal from any Person or group of Persons other than the Purchaser (or any of its affiliates or any Person acting jointly or in concert (as such term is defined in National Instrument 62-104 – *Takeover Bids and Issuer Bids*) with the Purchaser or any of its affiliates) relating to (i) any direct or indirect acquisition, purchase, sale or disposition (or any lease, joint venture, royalty, license or other arrangement having the same economic effect as a sale or disposition), in a single transaction or a series of transactions, of (A) assets of the Company (including shares of Subsidiaries of the Company) and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of the Company and its Subsidiaries, taken as a whole, determined based upon the most recent audited annual consolidated financial statements of the Company filed as part of the Company Filings, or contributing 20% or more of the consolidated revenue of the Company and its Subsidiaries, taken as a whole, determined based upon the most recent audited annual consolidated financial statements of the Company filed as part of the Company Filings, or (B) 20% or more of any class of voting or equity securities of the Company or 20% more of any class of voting or equity securities of any one or more of any of the Company’s Subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues, determined based upon the most recent annual audited consolidated financial statements of the Company filed as part of the Company Filings, or constitute 20% or more of the consolidated assets of the Company and its Subsidiaries, taken as a whole, determined based upon the most recent audited annual consolidated financial statements of the Company filed as part of the Company Filings; (ii) any direct or indirect take-over bid, tender offer, exchange offer, sale or issuance of securities or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company (including securities convertible into or exercisable or exchangeable for voting or equity securities of the Company) then outstanding; (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license involving the Company or of the surviving entity or the resulting direct or indirect parent of the Company or the surviving entity; or (iv) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries;

“**Adjusted EBITDA**” means adjusted earnings before interest, taxes, depreciation, and amortization, with such calculation adjusting for share-based compensation, costs related to financing, acquisitions, integration, litigation including associated loss provisions, and change in fair value of contingent consideration;

“**affiliate**” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions*, as in effect on the date of the Arrangement Agreement, provided that in no event will a portfolio company or investment fund, in either case, affiliated with the Purchaser or the Guarantors be considered to be an affiliate of the Company or any of its Subsidiaries;

“**allowable capital loss**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”;

“**Amalco**” means CloudMD Software & Services Inc., the amalgamated corporation under the BCBCA resulting from the amalgamation of the Company and the Purchaser pursuant to the Plan of Arrangement;

“**Arrangement Agreement**” means the arrangement agreement dated May 14, 2024 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms;

“**Arrangement Resolution**” means the special resolution approving the Plan of Arrangement to be considered at the Meeting, in the form and content of Appendix A attached hereto;

“**Arrangement**” means an arrangement under Section 288 of the BCBCA in accordance with the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement, in accordance with the terms of the Interim Order (once issued), or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

“**associate**” has the meaning specified in the *Securities Act* (Ontario);

“**BCBCA**” means the *Business Corporations Act* (British Columbia), and the regulations made thereunder, as promulgated or amended from time to time;

“**Board Recommendation**” means a statement that the Board has unanimously (with Ms. Adams having abstained as an “interested party” within the meaning of MI 61-101), after receiving the unanimous recommendation of the Special Committee, determined that the Consideration to be received by Shareholders is fair and that the Arrangement is in the best interests of the Company, and that the Board (with Ms. Adams having abstained as an “interested party” within the meaning of MI 61-101) unanimously recommends that Securityholders vote in favour of the Arrangement Resolution;

“**Board**” means the board of directors of the Company, as constituted from time to time;

“**Broadridge**” means Broadridge Financial Solutions Inc.;

“**Budget 2024 Tax Proposals**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”;

“**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which chartered banks are closed for business in Toronto, Ontario;

“**Change in Recommendation**” means prior to the approval by the Securityholders of the Arrangement Resolution, (A) the Board or the Special Committee fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to the Purchaser, or publicly proposes or states an intention to so withdraw, amend, modify or qualify, the Board Recommendation, (B) the Board or the Special Committee accepts, approves, endorses, enters into, recommends, or publicly proposes to accept, approve, endorse, enter into or recommend an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five (5) Business Days (or in the event that the Meeting is scheduled to occur within such five (5) Business Day period, beyond the third (3<sup>rd</sup>) Business Day prior to the date of the Meeting), or (C) the Board or the Special Committee fails to publicly recommend or reaffirm the Board Recommendation within five (5) Business Days after having been requested in writing by the Purchaser to do so (or in the event that the Meeting is scheduled to occur within such five (5) Business Day period, prior to the third (3<sup>rd</sup>) Business Day prior to the date of the Meeting);

“**Circular**” means this management information circular and accompanying Notice of Meeting (including all schedules, appendices and exhibits hereto) including any amendments or supplements hereto in accordance with the terms of the Arrangement Agreement;

“**Company**” or “**CloudMD**” means CloudMD Software & Services Inc.;

“**Company Filings**” means all documents filed under the profile of the Company on SEDAR+ since January 1, 2022;

“**Company Termination Fee**” means \$3,000,000;

“**Confidentiality Agreement**” means the confidentiality agreement between the Company and an affiliate of the Purchaser dated April 11, 2024;

“**Consideration**” means \$0.04 in cash per Share to be paid to Shareholders pursuant to the Plan of Arrangement, without interest;

“**Court**” means the Supreme Court of British Columbia;

“**CPS Bridge Loan**” means the secured loan in the principal amount of \$1,000,000 provided by an affiliate of the Purchaser to support the Company’s liquidity needs between the date of the Arrangement Agreement and the Effective Date;

“**CPS Bridge Loan Agreement**” means the agreement dated May 14, 2024 between the Company and an affiliate of the Purchaser governing the CPS Bridge Loan;

“**CRA**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

“**Credit Facilities**” means the credit agreement dated June 25, 2021 between 2844835 Ontario Inc., as borrower, and the Secured Lender, as lender, together with the Guarantors thereunder, as amended by a first amendment dated as of March 28, 2023 and a second amendment dated as of October 20, 2023;

“**Depository**” means Endeavor, in its capacity as depository for the Arrangement, or such other Person as the Company and the Purchaser agree to engage as depository for the Arrangement;

“**Disclosure Letter**” means the disclosure letter dated May 14, 2024 and delivered by the Company to the Purchaser with the Arrangement Agreement;

“**Dissent Rights**” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

“**Dissent Shares**” means all Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly given a notice of dissent;

“**Dissenting Shareholder**” means a Registered Shareholder as at the close of business on the Record Date that duly and validly exercises Dissent Rights, in strict compliance with the dissent procedures set out in Sections 237 to 247 of the BCBCA, as modified by the Interim Order and Plan of Arrangement, in respect of all Shares held and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

“**DRS advice**” means an advice under the direct registration system;

“**DSUs**” means any outstanding deferred share units issued pursuant to the Incentive Plan or otherwise;

“**EBITDA**” means earnings before interest, taxes, depreciation, and amortization;

“**Effective Date**” means the date designated by the Company and the Purchaser by notice in writing as the effective date of the Arrangement, after all of the conditions of the Arrangement Agreement and the Final Order have been satisfied or waived;

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date;

“**Endeavor**” means Endeavor Trust Corporation;

“**Excluded Shares**” has the meaning ascribed thereto under “*The Arrangement – Business Combination under MI 61-101 – Minority Approval*”;

“**Executive**” has the meaning ascribed thereto under “*The Arrangement – Interests of Certain Directors and Executive Officers in the Arrangement – Executive Employment Agreements*”;

“**Expense Reimbursement Amount**” has the meaning ascribed thereto under “*The Arrangement Agreement – Termination Fees and Expense Reimbursement*”;

“**Fairness Opinion**” means the opinion of the Financial Advisor to the effect that, as of the date of such opinion, and based on and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth therein, the Consideration to be received by the Shareholders pursuant to the Arrangement Agreement is fair from a financial point of view to the Shareholders;

“**Final Order**” means the final order of the Court under Section 291 of the BCBCA in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal;

“**Financial Advisor**” means INFOR Financial Inc.;

“**Forbearance Agreement**” means the agreement dated May 14, 2024 between the Company and the Secured Lender with respect to the forbearance of the Credit Facilities and providing for the Term Facility;

“**FSE**” means the Frankfurt Stock Exchange;

“**Governmental Entity**” means (i) any international, multinational, national, federal, provincial, state, territorial, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitrator or arbitral body (public or private), commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, domestic or foreign; (ii) any subdivision, agent or authority of any of the foregoing; (iii) any quasi-governmental or private body including any tribunal, commission, regulatory agency or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) any Securities Authority or stock exchange, including the TSXV;

“**Guarantors**” means, collectively, CPS Partners Fund LP and CPS Partners Fund V LP, and “**Guarantor**” means any one of them;

“**Held-for-Sale Transaction**” means the ongoing sale process by the Company to dispose of those assets that have been classified as held-for-sale in the Company Filings;

“**Holder**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

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

“**Incentive Plan**” means the omnibus equity incentive plan of the Company dated effective December 15, 2022, as the same may be amended, restated or supplement from time to time;

“**Interim Order**” means the interim order of the Court under Section 291 of the BCBCA in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably;

“**Intermediary**” means, collectively, a broker, investment dealer, bank, trust company, nominee or other intermediary;

“**Laurel Hill**” means Laurel Hill Advisory Group, the Company’s proxy solicitation agent and shareholder communications advisor for the Meeting;

“**Law**” or “**Laws**” means, with respect to any Person, any and all applicable national, federal, provincial, state, municipal or local law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, act, statute, code, rule, regulation, order, injunction, judgment, decree, ruling, award, writ, or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, all policies, guidelines, notices and protocols of any Governmental Entity, as amended;

“**Letter of Transmittal**” means the letter of transmittal accompanying this Circular;

“**Lien**” means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachment, option, right of first refusal or first offer, license, occupancy right, restrictive covenant, assignment, lien (statutory or otherwise), defect of title or encumbrance of any kind;

“**Matching Period**” has the meaning ascribed thereto under “*The Arrangement Agreement – Covenants – Covenants Regarding Non-Solicitation*”;

“**Material Adverse Effect**” means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other changes, events, occurrences, effects, states of facts or circumstances, is or would reasonably be expected to have, a material and adverse effect on the business, operations, affairs, results of operations, assets, properties, liabilities (contingent or otherwise) or financial condition of the Company and its Subsidiaries, taken as a whole, which for greater certainty will include (A) the loss of any of the five largest non-fee for service customers of the Company or any of its Subsidiaries (measured by annualized revenue per customer), other than as a result of a corporate reorganization or similar transaction involving a customer of the Company or any of its Subsidiaries that is outside of the Company’s control, or (B) the loss of one or more customers of the Company or any of its Subsidiaries that in the aggregate account for more than 4% of the Company’s annualized consolidated revenue on a net basis, as determined in accordance with the methodology set out in Section 1.1 of the Disclosure Letter; but excludes any change, event, occurrence, effect, state of facts or circumstance resulting from or arising in connection with:

- (a) any change, development, condition or event affecting the healthcare and associated services industry as a whole;
- (b) any change in general political conditions (including any act of terrorism or any outbreak of hostilities or declared or undeclared war or any escalation or worsening thereof) or in general economic, business, banking, regulatory, financial, credit, currency exchange, interest rate, rates of inflation or capital market conditions in Canada or elsewhere;
- (c) any change or proposed change in any Laws, in IFRS or regulatory accounting or tax requirements, or in the interpretation, application or non-application of any of the foregoing;
- (d) any natural disaster;
- (e) any epidemic, pandemic or outbreaks of illness or disease (including the COVID-19 pandemic and its continuing effect on the Company and the local, national and global economy);
- (f) any changes in currency or exchange rates;
- (g) the failure by the Company to meet any internal or public projections, forecasts, guidance or estimates of revenues, earnings or cash flows (it being understood that the cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred) or any seasonal fluctuations in the Company’s results;
- (h) any action taken (or omitted to be taken) by the Company or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement or as required by applicable Law;
- (i) any actions taken (or omitted to be taken) (i) upon the written request of the Purchaser, or (ii) with the written consent of, or under the authority, direction or control of the Purchaser or its affiliates;
- (j) the execution, announcement, pendency or performance of the Arrangement Agreement or the consummation of the Arrangement; or
- (k) any change in the market price or trading volumes of any securities of the Company;

provided, however, if any change, event, occurrence, effect, state of facts or circumstance referred to in clauses (a) through and including (f) above, materially and disproportionately adversely affects the Company and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the healthcare and associated services industry, such change, event, occurrence, effect, state of facts or circumstance may be taken into account in determining whether a Material Adverse Effect has occurred, but only to the extent of the disproportionate effect, and unless expressly provided in any particular section of the Arrangement Agreement, references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a “Material Adverse Effect” has occurred;

“**Material Contract**” means any contract, other than: (i) any intercompany contract among the Company and the Subsidiaries, and (ii) any contract between the Purchaser and the Company:

- (a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect;
- (b) relating directly or indirectly to indebtedness for borrowed money, or to the guarantee, support, indemnification or assumption or any similar commitment with respect to the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or indebtedness of any Person other than the Company or any of the Subsidiaries in excess of \$150,000 on an annualized basis;
- (c) under which the Company or any of its Subsidiaries is obligated to make or expects to receive payments in excess of \$150,000 in any 12-month period or which contains minimum purchase commitments or other terms that restrict or limit the purchasing or selling ability of the Company or any of its Subsidiaries;
- (d) that is a collective bargaining agreement or other labour contract with any labour union, works council, employee association or other labour organization;
- (e) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds \$150,000, not including the Held-for-Sale Transaction;
- (f) relating to any litigation or settlement thereof which does or could have actual or contingent obligations or entitlement of the Company or any of its Subsidiaries in excess of \$150,000 and which have not been fully satisfied prior to the date of the Arrangement Agreement;
- (g) that expressly limits or restricts in any material respect (A) the ability of the Company or any Subsidiary to engage in any line of business or carry on business in any geographic area, or (B) the scope of Persons to whom the Company or any of its Subsidiaries may sell products or conduct business;
- (h) that is a partnership agreement, limited liability company agreement, joint venture agreement or similar agreement or arrangement, relating to the formation, creation or operation of any partnership, limited liability company or joint venture in which the Company or any of its Subsidiaries is a partner, member or joint venturer (or other participant) that is material to the Company, but excluding any such partnership, limited liability company or joint venture which is a wholly-owned Subsidiary of the Company;
- (i) that contains express exclusivity or non-solicitation obligations (excluding any contracts with Company service providers and customary non-solicitation provisions with customers, suppliers or partners) or similar rights, in each case, that are material to the Company and its Subsidiaries, taken as a whole;
- (j) providing for the acquisition or disposition by the Company or any of its Subsidiaries of any material business, division or product line (whether by merger, amalgamation, sale of shares, sale of assets or otherwise) or capital stock or other equity interests of any other Person, in each case, pursuant to which any material obligations of the Company or any of its Subsidiaries remain outstanding;

- (k) restricting the incurrence of indebtedness by the Company or any of its Subsidiaries (including by requiring the granting of an equal and rateable Lien) or the incurrence of any Liens on any properties or assets of the Company or any of its Subsidiaries, or restricting the payment of dividends by the Company;
- (l) for any expenditure or commitment to do so which individually or in the aggregate exceeds \$150,000;
- (m) relating to any interest rate, currency, commodity or hedging, swap, derivative or forward sale transactions which individually or in the aggregate exceeds \$100,000; or
- (n) that is a material Company IP Agreement (as defined in the Arrangement Agreement);

“**Meeting**” means the special meeting of Securityholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“**misrepresentation**” has the meaning specified in the *Securities Act* (Ontario) and other Securities Laws;

“**NI 54-101**” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

“**NOBOs**” has the meaning ascribed thereto under “*General Proxy Information – Special Instructions for Voting by Non-Registered Shareholders*”;

“**Non-Registered Shareholder**” has the meaning ascribed thereto under “*General Proxy Information – Special Instructions for Voting by Non-Registered Shareholders*”;

“**Non-Resident Dissenter**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*”;

“**Non-Resident Holder**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*”;

“**Non-Solicitation Covenants**” has the meaning ascribed thereto under “*The Arrangement Agreement – Covenants – Covenants Regarding Non-Solicitation*”;

“**Notice of Dissent**” has the meaning ascribed thereto under “*Rights of Dissenting Shareholders*”;

“**Notice of Meeting**” means the Notice of Special Meeting accompanying this Circular;

“**Notice Shares**” has the meaning ascribed in thereto under “*Rights of Dissenting Shareholders*”;

“**OBOs**” has the meaning ascribed thereto under “*General Proxy Information – Special Instructions for Voting by Non-Registered Shareholders*”;

“**Oncidium**” means Oncidium Inc.;

“**officer**” has the meaning specified in the *Securities Act* (Ontario);

“**Option Agreement**” means an agreement evidencing the terms of any Option;

“**Optionholder**” means a holder of Options;

“**Options**” means the outstanding stock options to purchase Shares issued pursuant to the Incentive Plan and Option Agreements;

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

“**Outside Date**” means the date that is the earlier of: (a) 10 Business Days following the date of the Meeting; and (b) August 30, 2024, or such later date as may be agreed to in writing by the Parties;

“**Parties**” means the Company and the Purchaser and “**Party**” means any one of them;

“**Payout Amount**” has the meaning ascribed thereto under “*The Arrangement Agreement – Conditions of Closing – Additional Conditions Precedent to the Obligations of the Company*”;

“**Person**” includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status;

“**Plan of Arrangement**” means the plan of arrangement in the form of Appendix B, and any amendments or variations to such plan made in accordance with its terms, the terms of the Arrangement Agreement, the terms of the Interim Order (once issued) or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

“**Proposed Amendments**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

“**Proxy**” has the meaning ascribed thereto under “*General Proxy Information – Proxy Instructions*”;

“**Purchaser Termination Fee**” means \$1,750,000;

“**Purchaser**” means 1480775 B.C. Ltd., an affiliate of CPS Capital LP (a private equity investment firm);

“**Record Date**” means May 23, 2024;

“**Registered Shareholder**” means a registered holder of Shares as recorded in the shareholder register of the Company;

“**Regulations**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

“**Regulatory Approval**” means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by applicable Law or a Governmental Entity, in each case in connection with the Arrangement including, without limitation, the approval of the TSXV;

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

“**Resident Holder**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*”;

“**Resident Dissenter**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders*”;

“**RSU Agreement**” means an agreement evidencing the terms of any RSU;

“**RSUs**” means any outstanding restricted share units issued pursuant to the Incentive Plan or otherwise;

“**Secured Lender**” means the lender under the Credit Facilities;

“**Securities Laws**” means the *Securities Act* (Ontario) and any other applicable Canadian provincial and territorial securities Laws;

“**Securityholders**” means, collectively, the Shareholders and the Optionholders;

“**SEDAR+**” means the System for Electronic Document Analysis Retrieval +;

“**Shareholders**” means the registered or beneficial holders of the Shares, as the context requires;

“**Shares**” means the common shares in the capital of the Company;

“**Special Committee**” means the special committee of the Board consisting solely of independent members of the Board formed in connection with the Arrangement and the other transactions contemplated by the Arrangement Agreement;

“**Subsidiary**” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as in effect on the date of the Arrangement Agreement;

“**Superior Proposal**” means any unsolicited *bona fide* written Acquisition Proposal to acquire not less than all of the outstanding Shares (other than Shares held by the Persons or group of Persons making such Acquisition Proposal) or all or substantially all of the assets of the Company on a consolidated basis (other than related to the Held-for-Sale Transaction) that:

- (a) did not result from or involve a breach of the Non-Solicitation Covenants;
- (b) is not subject to any financing condition, and in respect of which it has been demonstrated to the satisfaction of the Board, acting in good faith after consultation with its financial advisor(s) and outside legal counsel, that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal;
- (c) is not subject to a due diligence or access to information condition; and
- (d) in respect of which the Board (or any relevant committee thereof) determines, in its good faith judgment, after consulting with its outside legal counsel and financial advisors: (i) is reasonably capable of being completed, without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person or group of Persons making such proposal; and (ii) would, if consummated in accordance with its terms but without assuming away the risk of non-completion, result in a transaction which is more favorable, from a financial point of view, to the Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to **Error! Reference source not found.**) of the Arrangement Agreement;

“**Superior Proposal Notice**” means a written notice delivered to the Purchaser of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal and/or withdraw or modify the Board Recommendation;

“**Supporting Securityholder**” means, collectively, the directors and officers of the Company who have entered into Voting Agreements;

“**Tax**” or “**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness,

surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employer health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; and (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on amounts of the type described in clause (i) above or this clause (ii);

“**Tax Act**” means the *Income Tax Act* (Canada);

“**taxable capital gain**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”;

“**Term Facility**” means the \$2,000,000 non-revolving term facility provided by the Secured Lender to the Company to support the Company's liquidity needs between the date of the Arrangement Agreement and the Effective Date;

“**TSXV**” means the TSXV Venture Exchange;

“**VIF**” means voting instruction form;

“**VisionPros**” means, collectively, 0869316 BC Ltd., 1143556 BC Ltd. and 1153046 BC Ltd.; and

“**Voting Agreements**” means the voting and support agreements with the Purchaser entered concurrently with the execution and delivery of the Arrangement Agreement by each of the directors and executive officers of the Company.

## MANAGEMENT INFORMATION CIRCULAR

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

**This Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of CloudMD** for use at the special meeting of Securityholders to be held in a virtual meeting format (via live audio webcast at <https://web.lumiconnect.com/416813823>) at 10:00 a.m. (Toronto time) on June 27, 2024, and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company or the Company's proxy solicitation agent.

CloudMD has retained the services of Laurel Hill to assist with Shareholder communication and the solicitation of proxies. In connection with these services, Laurel Hill will receive fees of up to \$55,000, plus reasonable out-of-pocket expenses. Interested Securityholders may contact Laurel Hill by telephone at 1.877.452.7184 (North American Toll Free) or 416.304.0211 (Outside North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

The cost of solicitation will be borne by the Company. Except as required by statute, regulation or policy thereunder, CloudMD does not reimburse Shareholders, nominees or agents (including brokers holding Shares on behalf of clients) for the cost incurred in obtaining from their principals an authorization to execute each form of proxy.

#### Proxy Instructions

Registered Shareholders and Optionholders who cannot attend the Meeting virtually may vote by proxy, either by mail, by fax or over the internet. Proxies must be received by Endeavor no later than 10:00 a.m. (Toronto time) on June 25, 2024, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment or postponement of the Meeting at its office, 702 – 777 Hornby Street Vancouver, BC V6Z 1S4. The time limit for deposit of proxies may be waived by the Chair of the Meeting in his sole discretion without notice.

A form of proxy (“**Proxy**”) returned to Endeavor will not be valid unless dated and signed by the Registered Shareholder or Optionholder or by the Registered Shareholder's or Optionholder's attorney duly authorized in writing or, if the Registered Shareholder is a company or association, the Proxy must be executed by an officer or by an attorney duly authorized in writing. If the Proxy is executed by an attorney for an individual Securityholder or by an officer or attorney of a Registered Shareholder that is a company or association, documentation evidencing the power to execute the Proxy may be required with signing capacity stated. If not dated, the Proxy will be deemed to have been dated the date that it is mailed to the Securityholders.

The Shares or Options represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Securityholder on any ballot that may be called for and, if the Securityholder specifies a choice with respect to any matter to be acted upon, the corresponding Shares or Options will be voted accordingly. The Proxy confers discretionary authority upon the named proxyholder with respect to matters identified in the Notice of Meeting if a choice with respect to such matters is not specified. It is intended that the person designated by management in the Proxy will vote the securities represented by the Proxy in favour of each matter identified in the Proxy.

The Proxy confers discretionary authority upon the named proxyholder with respect to amendments to or variations in matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. As at the date of this Circular, management is not aware of any amendments, variations, or other matters. If such should occur, the persons designated by management will vote thereon in accordance with their best judgment, exercising discretionary authority.

#### Appointment of Proxyholder

A Registered Shareholder or Optionholder has the right to designate a person (who need not be a Securityholder of the Company), other than the management proxy designees, to attend and act for the Securityholder at the Meeting. If you are returning your Proxy to Endeavor, such right may be exercised by inserting in the blank space provided in the

enclosed Proxy the name of the person to be designated and striking out the names of the management designees or by completing another proper Proxy and delivering it to Endeavor as provided above, or by fax or over the internet. If you are using the internet, you may designate another proxyholder by following the instructions on the website. If you appoint a proxyholder, other than the management designees, that proxyholder must attend and vote at the Meeting for your vote to be counted and you will have to take the additional step of registering such proxyholder with Endeavor, the Company's transfer agent, by email to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) or by calling toll-free at 1.888.787.0888.

**Failure to register the proxyholder with the Company's transfer agent will result in the proxyholder not receiving a control number to vote and participate at the Meeting. Such an unregistered proxyholder will only be able to attend the Meeting as a guest.**

#### **Revocation of Proxies**

A Securityholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof as follows:

- (a) if a person who has given a proxy attends the Meeting at which that proxy is to be voted, that person may revoke the proxy and vote in person at the virtual Meeting;
- (b) by submitting an instrument in writing executed by the Securityholder or the Securityholder's attorney or authorized agent and deposited with Endeavor at any time up to 10:00 a.m. (Toronto time) on June 25, 2024: (i) by mail or courier to 702 – 777 Hornby Street, Vancouver, BC, V6Z 1S4; (ii) by facsimile to 604.559.8908; or (iii) by email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com), or deposited with the Corporate Secretary of the Company at 181 University Avenue, Suite 1101, Toronto, ON M5H 3M7; or
- (c) in any other manner permitted by law.

#### **Special Instructions for Voting by Non-Registered Shareholders**

**Only Registered Shareholders, Optionholders or duly appointed proxyholders are permitted to vote at the Meeting. Some Shareholders of the Company are "non-registered" Shareholders because the shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or trust company.** More particularly, a person is not a Registered Shareholder in respect of shares which are held on behalf of the person (the "**Non-Registered Shareholder**") but which are registered in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of the shares. Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders — those who object to their name being made known to the Company (called "**OBOs**" for "Objecting Beneficial Owners") and those who do not object to the Company knowing who they are (called "**NOBOs**" for "Non-Objecting Beneficial Owners"). The Company is not sending the Meeting materials directly to NOBOs.

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting materials to the intermediaries for onward distribution to NOBOs and OBOs. Intermediaries are required to forward the Meeting materials to NOBOs. Very often, Intermediaries will use service companies to forward the Meeting materials to NOBOs and OBOs. With those Meeting materials, Intermediaries or their service companies should provide NOBOs and OBOs with a "request for voting instruction form" which, when properly completed and signed by such NOBOs or OBOs and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit NOBOs and OBOs to direct the voting of the Shares that they beneficially own.

Additionally, the Company may utilize Broadridge's QuickVote™ system, which involves NOBOs of Shares being contacted by Laurel Hill, which is soliciting proxies on behalf of CloudMD, to obtain voting instructions over the telephone and Laurel Hill relaying those voting instructions to Broadridge (on behalf of the applicable NOBO's

Intermediary). While representatives of Laurel Hill are soliciting proxies on behalf of the Company, which is recommending that Securityholders vote **FOR** the Arrangement Resolution, Securityholders are not required to vote in the manner recommended by CloudMD. The QuickVote system is intended to assist NOBOs in placing their vote; however, there is no obligation for any NOBO to vote using the QuickVote system, and NOBOs may vote (or change or revoke their votes) at any other time and in any other applicable manner described in the Circular. Any voting instructions provided by a NOBO through the QuickVote system will be recorded, and such NOBO will receive a letter from Broadridge (on behalf of the NOBO's Intermediary) as confirmation that his, her or its voting instruction has been accepted.

If a Non-Registered Shareholder wishes to attend and vote at the virtual Meeting (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should insert the Non-Registered Shareholder's name (or the name of the person the Non-Registered Shareholder wants to attend and vote on the Non-Registered Shareholder's behalf) in the space provided for that purpose on the request for voting instruction form and return it to the Non-Registered Shareholder's Intermediary or send the Intermediary another written request that the Non-Registered Shareholder or its nominee be appointed as proxyholder. The Intermediary is required under NI 54-101 to arrange, without expense to the Non-Registered Shareholder, to appoint the Non-Registered Shareholder or its nominee as proxyholder in respect of the Non-Registered Shareholder's Shares. Under NI 54-101, unless corporate law does not allow it, if the Intermediary makes an appointment in this manner, the Non-Registered Shareholder or its nominee, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the Intermediary (who is the registered shareholder) in respect of all matters that come before the Meeting and any adjournment or postponement of the meeting. An Intermediary who receives such instructions at least one business day before the deadline for submission of proxies is required to deposit the proxy within that deadline, in order to appoint the Non-Registered Shareholder or its nominee as proxyholder. If a Non-Registered Shareholder requests that the Intermediary appoint the Non-Registered Shareholder or its nominee as proxyholder, the Non-Registered Shareholder or its appointed nominee, as applicable, will need to attend the Meeting virtually in order for the Non-Registered Shareholder's vote to be counted, that proxyholder must attend and vote at the Meeting for your vote to be counted and you will have to take the additional step of registering such proxyholder with Endeavor, the Company's transfer agent, by email to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) or by calling toll-free at 1.888.787.0888.

**Failure to register the proxyholder with the Company's transfer agent will result in the proxyholder not receiving a control number to vote and participate at the Meeting. Such an unregistered proxyholder will only be able to attend the Meeting as a guest.**

The Company intends to pay for the Intermediaries to deliver the Meeting materials to the OBOs.

Non-Registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact their Intermediary to arrange to change their voting instructions.

**Voting Prior To or At the Meeting**

| <b>Voting Method</b>                      | <b>Registered Shareholders and Optionholders</b><br>If your securities are held in your name and represented by a physical certificate or DRS statement.                    | <b>Non-Registered Shareholders</b><br>If your securities are held with a broker, bank or other intermediary.   |
|---|---|--|
| <b><i>Voting Prior to the Meeting</i></b> |   |  |
| <b>Internet</b>                           | Go to <a href="http://www.eproxy.ca">www.eproxy.ca</a> . Enter the 12-digit control number and password printed on the form of proxy and follow the instructions on screen. | Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> . Enter the 16-digit control number printed on the voting information form ("VIF") and follow the instructions on screen. |
| <b>Fax</b>                                | Complete, date and sign the proxy and fax it to:<br>604.559.8908  | Complete, date, and sign the VIF and fax it to the number listed on the VIF.   |

| <b>Voting Method</b>                 | <b>Registered Shareholders and Optionholders</b><br>If your securities are held in your name and represented by a physical certificate or DRS statement.   | <b>Non-Registered Shareholders</b><br>If your securities are held with a broker, bank or other intermediary.   |
|--------------------------------------|--|--|
| <b>Mail</b>                          | Enter voting instructions, sign, and date the form of proxy and return your completed form of proxy to:<br><br><b>Endeavor Trust Corporation<br/>702 – 777 Hornby Street<br/>Vancouver, BC V6Z 1S4</b>   | Enter your voting instructions, sign and date the VIF, and return the completed VIF.   |
| <b>Attending the Virtual Meeting</b> |  |  |
| <b>Online At the Meeting</b>         | <ol style="list-style-type: none"> <li>1. Log into <a href="https://web.lumiconnect.com/416813823">https://web.lumiconnect.com/416813823</a> on the Meeting Date.</li> <li>2. Click on “I have a Login”.</li> <li>3. Enter the 12-digit control number as your username (located on the form of proxy or in the email notification you received).</li> <li>4. Enter the password: cloudmd2024 (case sensitive).</li> </ol> | <ol style="list-style-type: none"> <li>1. Enter your own name(s) in the blank space on the VIF or form of proxy provided and return the same to your broker (or the broker’s agent), prior to 10:00 a.m. (Toronto time) on June 25, 2024.</li> <li>2. Register with Endeavor by email at <a href="mailto:proxy@endeavortrust.com">proxy@endeavortrust.com</a> or by calling toll-free at 1.888.787.0888.</li> <li>3. Log into <a href="https://web.lumiconnect.com/416813823">https://web.lumiconnect.com/416813823</a> on the Meeting Date.</li> <li>4. Click on “I have a Login”.</li> <li>5. Enter your user ID number or username, which Endeavor will have provided to you by email, and enter the password: cloudmd2024 (case sensitive).</li> </ol> |

Registered Securityholders and duly appointed proxyholders may ask questions at the Meeting and vote by completing a ballot online during the Meeting. If you plan to vote or ask questions at the Meeting, it is important that you are connected to the internet at all times during the Meeting. It is your responsibility to ensure internet connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the check-in procedures.

It is recommended that Securityholders or their duly appointed proxyholders submit their questions as soon as possible during the Meeting so they can be addressed at the right time. Questions may be submitted in writing by clicking on the “Q&A” messaging icon at the top of the online platform window. When submitting a question, please identify whether it relates to a motion being considered as part of the formal business of the Meeting, or whether it is general in nature. The Chair of the Board and members of management present at the Meeting will answer questions relating to matters to be voted on before a vote is held on each matter, if applicable. Questions on the same topic or otherwise related will be grouped, summarized and addressed at the same time.

Non-Registered Shareholders who have not duly appointed themselves as proxyholders may listen to the Meeting as guests. Guests will not be permitted to ask questions or vote at the Meeting.

Securityholders with questions regarding the virtual meeting portal or requiring assistance accessing the Meeting website may visit the website <https://www.lumiglobal.com/faq> prior to the Meeting. If you experience technical difficulties during the registration process or if you encounter difficulties while accessing and attending the Meeting, please contact Lumi, the provider of the virtual meeting interface, at [support-ca@lumiglobal.com](mailto:support-ca@lumiglobal.com).

#### **Voting Securities and Principal Holders Thereof**

The authorized share capital of the Company consists of an unlimited number of Shares without par value. May 23, 2024 has been fixed by the directors of the Company as the Record Date for the purpose of determining those Securityholder entitled to receive notice of and to vote at the Meeting. As at the Record Date, 304,679,883 Shares were issued and outstanding, each such Share carrying the right to one vote on the Arrangement Resolution.

Optionholders will also be entitled to vote with the Shareholders together as a single class on the Arrangement Resolution. As at the Record Date, 3,984,167 Options were issued and outstanding, each such Option carrying the right to one vote on the Arrangement Resolution.

Accordingly, the maximum number of potential votes at the Meeting in respect of the outstanding Shares and Options totals 308,664,050.

To the knowledge of the directors or executive officers of the Company as of the Record Date, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, Shares carrying 10% or more of the voting rights of Shareholders at the Meeting, or Shares and Options that collectively will carry 10% or more of the voting rights of Securityholders at the Meeting.

## REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, all references to “\$” in this Circular refer to Canadian dollars.

Securityholders in the United States should be aware that the financial statements and financial information of the Company are prepared in accordance with IFRS and are subject to Canadian auditing and auditor independence standards, each of which differ in certain material respects from U.S. generally accepted accounting principles and auditing and auditor independence standards and thus may not be comparable in all respects to financial statements and information of U.S. companies.

All Shareholders will receive the Consideration per Share in Canadian dollars.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Circular and the documents incorporated herein by reference contain “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities legislation (collectively referred to as “**forward-looking statements**”). All statements other than statements of historical fact included, or incorporated by reference in this Circular, are forward-looking statements. Forward-looking statements are based on expectations, estimates and projections as at the date of this Circular or the dates of the documents incorporated herein by reference, as applicable. These forward-looking statements may include, but are not limited to, statements with respect to the expected timing for the required approvals and completion of the Arrangement, the expected benefits of the Arrangement, the anticipated tax consequences of the Arrangement, the delisting of the Shares from the TSXV and the future financial or operating performance of the Company and its Subsidiaries. Often, but not always, forward-looking statements can be identified by the use of words and phrases such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions such as the receipt of all required approvals, the satisfaction of the terms and conditions of the Arrangement, that the Arrangement will be completed within the expected time frame at the expected cost and that the Company and the Purchaser will not fail to complete the Arrangement for any other reason, including but not limited to the matters discussed under the “*Risk Factors Relating to the Arrangement*” section of this Circular.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CloudMD to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the satisfaction of the conditions to complete the Arrangement including the approval of the Arrangement by Securityholders, the Court, and the TSXV, the receipt of all required approvals to complete the Arrangement, the anticipated Effective Date of the Arrangement and the absence of any event, change or other circumstances that could give rise to the termination of the Arrangement Agreement, the delay in or increase in cost of completing the Arrangement and the failure to complete the Arrangement for any other reason and the risks described under “*Risk Factors Relating to the Arrangement*” in this Circular.

Additional risks and uncertainties regarding the Company are described in the most recent Management's Discussion and Analysis which is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Circular and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable Securities Laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## **NOTICE TO SECURITYHOLDERS NOT RESIDENT IN CANADA**

The Company is a corporation organized under the laws of the Province of British Columbia. The solicitation of proxies involves securities of a Canadian issuer and is being effected in accordance with applicable corporate and Securities Laws in Canada. Securityholders should be aware that the requirements applicable to the Company under Canadian laws may differ from requirements under corporate and securities laws relating to corporations in other jurisdictions.

The enforcement of civil liabilities under the securities laws of other jurisdictions outside Canada may be affected adversely by the fact that the Company is organized under the laws of the Province of British Columbia, that all or substantially all of its assets are located in Canada and that all of its directors and executive officers are residents of Canada. You may not be able to sue the Company or its directors or officers in a Canadian court for violations of foreign securities laws. It may be difficult to compel the Company to subject itself to a judgment of a court outside Canada.

**THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.**

**Securityholders who are foreign taxpayers should be aware that the Arrangement described in this Circular may have tax consequences both in Canada and such foreign jurisdiction. Such consequences for Securityholders are not described in this Circular. It is strongly recommended that all Non-Resident Holders consult their own legal and tax advisors with respect to the income tax consequences applicable in their place of residency of the disposition of their Shares.**

## **NOTICE REGARDING INFORMATION**

The information contained in this Circular is given as at May 29, 2024, except where otherwise noted and except that information in documents incorporated by reference is given as of the dates noted therein. No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by CloudMD.

The information concerning the Purchaser and the Guarantors contained in this Circular has been provided by the Purchaser and the Guarantors for inclusion in this Circular. Although CloudMD has no knowledge that any statements contained herein taken from or based on such sources are untrue or incomplete, CloudMD assumes no responsibility for the accuracy or completeness of the information taken from or based upon such sources or for any failure by the Purchaser or the Guarantors to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to CloudMD.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or

in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

Information contained in this Circular should not be construed as legal, tax or financial advice and Securityholders are urged to consult their own professional advisors in connection therewith.

All references in this Circular to the unanimous approval of the Board refers to the unanimous approval by the Board (with Ms. Karen Adams having abstained as an “interested party” within the meaning of MI 61-101).

Descriptions in this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are summaries of the terms of those documents and qualified in their entirety by reference to the full text of those documents. Securityholders should refer to the full text of each of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement may be viewed under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Plan of Arrangement is appended hereto as Appendix B.

## QUESTIONS AND ANSWERS ABOUT THE MEETING AND THE ARRANGEMENT

*The following is a summary of certain information contained in or incorporated by reference into this Circular, together with some of the questions that you, as a Securityholder, may have and answers to those questions. You are urged to read the remainder of this Circular, the attached Appendices and the form of proxy carefully, because the information contained below is of a summary nature, and is qualified in its entirety by the more detailed information contained elsewhere in or incorporated by reference into this Circular, the attached Appendices and the form of proxy, all of which are important and should be reviewed carefully.*

### **Q: Does the Board support the Arrangement?**

A: Yes. The Board has unanimously determined (with Ms. Adams having abstained as an “interested party” within the meaning of MI 61-101 and based, in part, on the unanimous recommendation of the Special Committee) (i) that the Arrangement and the Consideration are fair to the Securityholders and the Arrangement is in the best interests of CloudMD, (ii) that CloudMD should enter the Arrangement Agreement, and (iii) to recommend that the Securityholders vote **FOR** the Arrangement Resolution.

Prior to entering into the Arrangement Agreement, the Board established the Special Committee, comprised of Scott Milligan, Graeme McPhail and Gaston Tano, each an independent director of CloudMD, to review the Arrangement Agreement and to advise the Board with respect to any recommendation that the Board should make to the Securityholders.

The Special Committee unanimously determined that the Arrangement is fair to the Securityholders and is in the best interests of CloudMD. The Special Committee then unanimously recommended that the Board approve the Arrangement Agreement and that the Board recommend that the Securityholders approve the Arrangement.

In making its unanimous recommendation, each of the Board and the Special Committee considered a number of factors as described in this Circular under “*The Arrangement – Special Committee*”, including the Fairness Opinion, which determined that the Consideration payable to the Shareholders under the Arrangement Agreement is fair, from a financial point of view, to such Shareholders.

Failure to complete the Arrangement could have a material adverse effect on the Company and the market price of the Shares. If the Arrangement is not completed, the Company does not expect that there will be an alternative that would provide any value to the holders of CloudMD’s equity securities.

See “*The Arrangement – Background to the Arrangement*” and “*The Arrangement – Reasons for the Arrangement*”.

### **Q: When will the Arrangement become effective?**

A: Subject to obtaining Court and other regulatory approvals as well as the satisfaction or waiver of all other conditions precedent, if Securityholders approve the Arrangement Resolution, it is anticipated that the Arrangement will be completed in July 2024.

### **Q: What will I receive for my Shares under the Arrangement?**

A: If the Arrangement is completed, each holder of Shares at the Effective Time will receive, for each Share, \$0.04 in cash.

### **Q: What will happen to CloudMD if the Arrangement is completed?**

A: If the Arrangement is completed, the Purchaser will acquire all of the issued and outstanding Shares at the Effective Time and all of the outstanding Options, RSUs and DSUs will be transferred to the Company and cancelled. The Company and the Purchaser will amalgamate to form one corporate entity, Amalco, which will continue as one corporation under the BCBCA.

The Shares, which are currently listed for trading on the TSXV and FSE, will be de-listed from the TSXV and FSE following completion of the Arrangement.

The Purchaser also expects to apply to have CloudMD cease to be a reporting issuer in all jurisdictions in which it is a reporting issuer in Canada.

**Q: Who is entitled to vote on the Arrangement Resolution at the Meeting and how will votes be counted?**

A: All Securityholders as of the close of business on the Record Date are entitled to vote on the Arrangement Resolution at the Meeting. Endeavor, the Company's transfer agent and registrar, will count the votes.

**Q: What approvals are required to be given by Securityholders at the Meeting?**

A: To become effective, the Arrangement Resolution must be approved by an affirmative vote of at least: (i) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders; (ii) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by Shareholders and Optionholders, voting together as a single class; and (iii) a simple majority of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders, excluding the Excluded Shares in accordance with MI 61-101.

All directors and officers of CloudMD, holding in aggregate approximately 0.16% of the Shares and 0.60% of the Shares and Options collectively, as of the Record Date, have entered into the Voting Agreements, pursuant to which they have agreed, subject to certain exceptions, to vote their Shares and Options in favour of the Arrangement Resolution.

See "*The Arrangement – Required Securityholder Approval*".

**Q: What is the quorum for the Meeting?**

A: For all purposes contemplated by this Circular, the quorum for the transaction of business at the Meeting shall be two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent Shareholder so entitled, holding or representing in the aggregate not less than 5% of the issued and outstanding Shares entitled to be voted at the Meeting.

**Q: Are the Shareholders entitled to Dissent Rights?**

A: Only Registered Shareholders are entitled to Dissent Rights on the Arrangement Resolution if they follow the procedures specified in the BCBCA, as modified by the Interim Order, the Final Order, and the Plan of Arrangement. If you are a Registered Shareholder and wish to exercise Dissent Rights, you should review the requirements summarized in this Circular and the Interim Order, Sections 237 to 247 of the BCBCA and the Plan of Arrangement, which are attached to this Circular as Appendices D, F and B, respectively, carefully and consult with legal counsel.

See "*Rights of Dissenting Shareholders*".

**Q: What other conditions must be satisfied to complete the Arrangement?**

A: In addition to the applicable approvals by the Securityholders at the Meeting, the Arrangement is conditional upon, among other things, the receipt of the Final Order from the Court, approval of the TSXV and the Purchaser having paid in full all indebtedness under the Credit Facilities, all in accordance with the terms of the Arrangement Agreement.

See "*The Arrangement Agreement – Conditions of Closing*".

**Q: What will happen if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?**

A: If the Arrangement Resolution is not approved or the Arrangement is not completed for any reason, the Arrangement Agreement may be terminated. If this occurs, CloudMD will remain subject to all of the existing risks facing its business, including with respect to the outstanding indebtedness under the Credit Facilities. If the Arrangement is not completed, the Company does not expect that there will be an alternative that would provide any value to the holders of CloudMD’s equity securities. See “*Risk Factors Relating to the Arrangement*”. In certain termination circumstances, CloudMD will be required to pay to the Purchaser a Termination Fee in the amount of \$3,000,000, or an Expense Reimbursement Amount of up to a maximum of \$1,500,000.

See “*The Arrangement Agreement – Termination Fees and Expense Reimbursement*”.

**Q: What do I need to do now in order to vote prior to the Meeting?**

A: You should carefully read and consider the information contained in this Circular. Shareholders and Optionholders are encouraged to vote using the following methods prior to the Meeting. To be effective, a proxy must be received by the Company’s transfer agent, Endeavor Trust Corporation, no later than 10:00 a.m. (Toronto time) on June 25, 2024, or in the case of any postponement or adjournment of the Meeting, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting. Late forms of proxy may be accepted or rejected by the Chair of the Meeting in the Chair’s discretion, and the Chair is under no obligation to accept or reject any particular late form of proxy.

| <b>Voting Method</b> | <b>Registered Shareholders and Optionholders</b><br>If your securities are held in your name and represented by a physical certificate or DRs statement.   | <b>Non-Registered Shareholders</b><br>If your securities are held with a broker, bank or other intermediary.   |
|----------------------|--|--|
| <b>Internet</b>      | Go to <a href="http://www.eproxy.ca">www.eproxy.ca</a> . Enter the 12-digit control number and password printed on the form of proxy and follow the instructions on screen.                        | Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> . Enter the 16-digit control number printed on the VIF and follow the instructions on screen. |
| <b>Fax</b>           | Complete, date and sign the proxy and fax it to:<br>604.559.8908   | Complete, date, and sign the VIF and fax it to the number listed on the VIF.   |
| <b>Mail</b>          | Enter voting instructions, sign, and date the form of proxy and return your completed form of proxy to:<br><b>Endeavor Trust Corporation<br/>702 – 777 Hornby Street<br/>Vancouver, BC V6Z 1S4</b> | Enter your voting instructions, sign and date the VIF, and return the completed VIF.   |

See “*General Proxy Information – Proxy Instructions*”, “*General Proxy Information – Appointment of Proxyholder*”, “*General Proxy Information – Revocation of Proxies*” and “*General Proxy Information – Special Instructions for Voting by Non-Registered Shareholders*”.

**Q: If my Shares are held by my broker, will my broker vote my Shares for me?**

A: A broker will vote the Shares held by you only if you provide instructions to your broker on how to vote. Without instructions, those Shares may not be voted. Non-Registered Shareholders should instruct their brokers to vote their Shares by following the directions provided to them by their brokers. Unless your broker gives you its proxy, voting instruction form or other method to provide voting instructions to vote the Shares at the virtual Meeting, you cannot vote your Shares at the Meeting.

See “*General Proxy Information – Special Instructions for Voting by Non-Registered Shareholders*”.

**Q: Should I send in my Proxy now?**

A: Yes. To ensure that your vote is counted, you should complete and submit the applicable enclosed Proxy or, if applicable, provide your broker with voting instructions as soon as possible to ensure your Shares are counted at the Meeting.

See “General Proxy Information – Proxy Instructions”.

**Q: Can I revoke my proxy after I have voted by proxy?**

A: Yes. A Securityholder executing the enclosed Proxy has the right to revoke it. A Securityholder may revoke a proxy by (a) attending and voting at the virtual Meeting; (b) by submitting an instrument in writing executed by the Securityholder or the Securityholder’s attorney or authorized agent and deposited with Endeavor at any time up to 10:00 a.m. (Toronto time) on June 25, 2024: (i) by mail or courier to 702 – 777 Hornby Street, Vancouver, BC, V6Z 1S4; (ii) by facsimile to 604.559.8908; or (iii) by email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com), or deposited with the Corporate Secretary of the Company at 181 University Avenue, Suite 1101, Toronto, ON M5H 3M7 before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked; or (c) in any other manner permitted by law. Non-Registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact their intermediary to arrange to change their voting instructions.

**Q: How do I attend and participate in the virtual Meeting?**

A: We strongly encourage registered Securityholders to vote on the matters before the Meeting by proxy in the manner set out below (and in the Circular) regardless of whether Securityholders will be attending the Meeting virtually. Registered Shareholders, Optionholders and Non-Registered Shareholders (who have duly appointed themselves as proxyholders) should follow the instructions below if they would like to vote at the virtual Meeting.

| <b>Voting Method</b>         | <b>Registered Shareholders and Optionholders</b><br>If your securities are held in your name and represented by a physical certificate or DRS statement.  | <b>Non-Registered Shareholders</b><br>If your securities are held with a broker, bank or other intermediary.   |
|------------------------------|---|--|
| <b>Online At the Meeting</b> | <ol style="list-style-type: none"><li>1. Log into <a href="https://web.lumiconnect.com/416813823">https://web.lumiconnect.com/416813823</a> on the Meeting Date.</li><li>2. Click on “I have a Login”.</li><li>3. Enter the 12-digit control number as your username (located on the form of proxy or in the email notification you received).</li><li>4. Enter the password: cloudmd2024 (case sensitive).</li></ol> | <ol style="list-style-type: none"><li>1. Enter your own name(s) in the blank space on the VIF or form of proxy provided and return the same to your broker (or the broker’s agent), prior to 10:00 a.m. (Toronto time) on June 25, 2024.</li><li>2. Register with Endeavor by email at <a href="mailto:proxy@endeavortrust.com">proxy@endeavortrust.com</a> or by calling toll-free at 1.888.787.0888.</li><li>3. Log into <a href="https://web.lumiconnect.com/416813823">https://web.lumiconnect.com/416813823</a> on the Meeting Date.</li><li>4. Click on “I have a Login”.</li><li>5. Enter your user ID number or username, which Endeavor will have provided to you by email, and enter the password: cloudmd2024 (case sensitive).</li></ol> |

Registered Securityholders and duly appointed proxyholders may ask questions at the Meeting and vote by completing a ballot online during the Meeting. If you plan to vote or ask questions at the Meeting, it is important that you are connected to the internet at all times during the Meeting. It is your responsibility to ensure internet connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the check-in procedures.

It is recommended that Securityholders or their duly appointed proxyholders submit their questions as soon as possible during the Meeting so they can be addressed at the right time. Questions may be submitted in writing by clicking on the “Q&A” messaging icon at the top of the online platform window. When submitting a question, please identify whether it relates to a motion being considered as part of the formal business of the Meeting, or whether it is general in nature. The Chair of the Board and members of management present at the Meeting will answer questions relating to matters to be voted on before a vote is held on each matter, if applicable. Questions on the same topic or otherwise related will be grouped, summarized and addressed at the same time.

Non-Registered Shareholders who have not duly appointed themselves as proxyholders may listen to the Meeting as guests. Guests will not be permitted to ask questions or vote at the Meeting.

Securityholders with questions regarding the virtual meeting portal or requiring assistance accessing the Meeting website may visit the website <https://www.lumiglobal.com/faq> prior to the Meeting. If you experience technical difficulties during the registration process or if you encounter difficulties while accessing and attending the Meeting, please contact Lumi, the provider of the virtual meeting interface, at [support-ca@lumiglobal.com](mailto:support-ca@lumiglobal.com).

**Q: What are the Canadian federal income tax consequences of the Arrangement to the Shareholders?**

A: For a summary of certain material Canadian income tax consequences of the Arrangement for Shareholders, see “*Certain Canadian Federal Income Tax Considerations*. **Such summaries are not intended to be legal or tax advice to any particular Shareholder.**

**Tax matters are complicated, and the income tax consequences of the Arrangement to you will depend on your particular circumstances. Because individual circumstances may differ, you should consult with your tax advisor as to the specific tax consequences of the Arrangement to you.**

**Q: Who can help answer my questions?**

A: Securityholder who would like additional copies, without charge, of this Circular or have additional questions about the Arrangement or the Meeting, including the procedures for voting Shares, should contact Laurel Hill Advisory Group, by telephone at 1.877.452.7184 (North American Toll Free) or 416.304.0211 (Outside North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

Copies of this Circular and the Meeting materials may also be found on the Company’s website at [www.cloudmd.ca](http://www.cloudmd.ca) and under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## SUMMARY OF CIRCULAR

*This summary should be read together with and is qualified in its entirety by the more detailed information and financial data and statements contained elsewhere in this Circular, including the appendices hereto and documents incorporated into this Circular by reference. Capitalized terms in this summary have the meanings set out in the Glossary of Terms. The full text of the Arrangement Agreement may be viewed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of this Circular and the Meeting materials may also be found on the Company's website at [www.cloudmd.ca](http://www.cloudmd.ca) and under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

### **The Meeting**

#### *Date, Time and Place of Meeting*

The Meeting will be held virtually on June 27, 2024 at 10:00 a.m. (Toronto time) via audio webcast at <https://web.lumiconnect.com/416813823>.

#### *The Record Date*

The record date for determining the Securityholders entitled to receive notice of and to attend and vote at the Meeting is May 23, 2024. Only Securityholders of record as of the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting.

### **Purpose of the Meeting**

At the Meeting, CloudMD will ask the Securityholders to consider and, if deemed advisable, pass, with or without variation, the Arrangement Resolution to approve the Arrangement.

### **Effect of the Arrangement**

If the Arrangement is completed, the Purchaser will acquire all of the Shares for cash consideration of \$0.04 per Share. The Options, RSUs and DSUs will be transferred to the Company and terminated and will be of no further force and effect, all in exchange for payment, if any, in accordance with the terms of the Arrangement.

### **Securityholder Approval**

To become effective, the Arrangement Resolution must be approved by an affirmative vote of at least: (i) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders; (ii) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by Shareholders and Optionholders, voting together as a single class; and (iii) a simple majority of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders, excluding the Excluded Shares in accordance with MI 61-101.

The Arrangement Resolution must be passed in order for CloudMD to seek the Final Order and implement the Arrangement on the Effective Date.

See “*The Arrangement – Required Securityholder Approval*” and “*The Arrangement – Court Approval*”.

### **The Arrangement**

If approved, the Arrangement will become effective at the Effective Time (which is expected to be at 12:01 a.m. (Vancouver Time)) on the Effective Date, which is expected to be in July 2024. At the Effective Time, the following shall be deemed to occur sequentially in the following order:

- (1) each outstanding Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens), and:

- (a) such Dissenting Shareholder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of its Shares by the Purchaser;
  - (b) the name of such Dissenting Shareholder shall be removed from the register of holders of Shares maintained by or on behalf of the Company; and
  - (c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Company as the holder of such Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens);
- (2) each outstanding Share (other than Shares held by any Dissenting Shareholder who has validly exercised such holder's Dissent Rights) shall be transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, and
  - (a) the holder of such Share shall cease to have any rights as a Shareholder other than the right to be paid the Consideration in accordance with the Plan of Arrangement;
  - (b) the name of such holder shall be removed from the register of holders of Shares maintained by or on behalf of the Company; and
  - (c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Company as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens);
- (3) each Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable Option Agreement in relation thereto, shall be deemed to be unconditionally vested and exercisable, and such Option shall be, without any further action by or on behalf of the holder of such Option, surrendered by the holder thereof to the Company (free and clear of all Liens) in exchange for a cash payment equal to the amount (if any) by which the Consideration exceeds the exercise price of such Option, and such Option shall immediately be cancelled and, for greater certainty, where such amount is zero or negative, none of the Company, the Depositary or the Purchaser shall be obligated to pay such Optionholder any amount in respect of such Option;
- (4) concurrently with the step described in paragraph (3) above, (a) each Optionholder shall cease to be a holder of such Options, (b) each such Optionholder's name shall be removed from the applicable register maintained by the Company, (c) all Option Agreements shall be terminated and shall be of no further force and effect, and (d) each such Optionholder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to paragraph (3) above;
- (5) each DSU that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any agreement in relation to such DSU, shall be, without any further action by or on behalf of the holder of such DSU, deemed to be assigned and transferred by such holder to the Company (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such DSU shall be immediately cancelled;
- (6) concurrently with the step described in paragraph (5) above, (a) each holder of DSUs shall cease to be a holder of such DSUs, (b) each such holder's name shall be removed from the applicable register maintained by the Company, (c) all agreements relating to the DSUs shall be terminated and shall be of no further force and effect, and (d) each such holder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to paragraph (5) above;
- (7) each RSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable RSU Agreement in relation thereto, shall be deemed to be unconditionally vested, and such RSU shall be, without any further action by or on behalf of the holder of such RSU, deemed to be assigned and transferred by such holder to the Company (free and

clear of all Liens) in exchange for a cash payment equal to the Consideration, and such RSU shall be immediately cancelled;

- (8) concurrently with the step described in paragraph (7) above, (a) each holder of RSUs shall cease to be a holder of such RSUs, (b) each such holder's name shall be removed from the applicable register maintained by the Company, (c) the Incentive Plan and all RSU Agreements shall be terminated and shall be of no further force and effect, and (d) each such holder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to paragraph (7) above;
- (9) the Shares shall be deemed to be de-listed from the TSXV and the Company shall make, and shall be deemed to have made, an election to cease to be a "public corporation" under subsection 89(1) of the Tax Act; and
- (10) the Company and the Purchaser will amalgamate to form one corporate entity, Amalco, with the same effect as if they had amalgamated under Section 276 of the BCBCA and Amalco will continue as one company under the BCBCA.

See "*The Arrangement – Description of the Arrangement*".

#### **Recommendation of the Special Committee**

The Special Committee appointed by the Board was formed to, among other things, negotiate the terms of any acquisition proposal made to the Company and to make recommendations to the Board with respect to any such acquisition proposal, including with respect to any recommendation that the Board should make to Securityholders in respect of such acquisition proposal. After careful consideration, including a thorough review of the Arrangement Agreement, the advice of the Financial Advisor and the Company's legal counsel, and the Fairness Opinion, as well as a thorough review of other matters, including the matters discussed under "*The Arrangement – Reasons for the Arrangement,*" and taking into account the best interests of the Company and the impact on the stakeholders of CloudMD and consultation with its financial and legal advisors, the Special Committee unanimously determined that the Arrangement is fair to the Securityholders and that the Arrangement is in the best interests of the Company. Accordingly, the Special Committee unanimously recommended that the Board recommend that the Securityholders approve the Arrangement and that the Board approve the Arrangement Agreement and the Plan of Arrangement.

See "*The Arrangement – Special Committee*" and "*The Arrangement – Fairness Opinion*".

#### **Recommendation of the Board**

After careful consideration, including a thorough review of the Arrangement Agreement, the advice of the Financial Advisor and the Company's legal counsel, and the Fairness Opinion, as well as a thorough review of other matters, including the matters discussed under "*The Arrangement – Reasons for the Arrangement,*" and on the unanimous recommendation of the Special Committee, the Board unanimously determined (with Ms. Karen Adams having abstained as an "interested party" within the meaning of MI 61-101) that the Arrangement and the Consideration are fair to the Securityholders and that the Arrangement is in the best interests of the Company. **Accordingly, the Board approved the Arrangement and unanimously recommends that the Securityholders vote FOR the Arrangement Resolution.**

Failure to complete the Arrangement could have a material adverse effect on the Company and the price of the Shares. If the Arrangement is not completed, the Company does not expect that there will be an alternative that would provide any value to the holders of CloudMD's equity securities.

See "*The Arrangement – Recommendation of the Board*", "*The Arrangement – Reasons for the Arrangement*" and "*The Arrangement – Fairness Opinion*".

#### **Voting Agreements**

The Purchaser has entered into a Voting Agreement with the Supporting Securityholders pursuant to which the Supporting Securityholders have agreed, subject to the terms and conditions of the Voting Agreement, to, among other

things, vote their Shares and Options in favour of the Arrangement Resolution. The Supporting Securityholders collectively beneficially own or exercise control or direction over an aggregate of 477,373 Shares and 1,366,667 Options, representing approximately 0.16% of the outstanding Shares and 0.60% of the outstanding Shares and Options collectively, as of the Record Date.

See “*The Arrangement – Voting Agreements*”.

### **Fairness Opinion**

The Financial Advisor was requested by the Special Committee to provide an opinion as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders pursuant to the Arrangement.

On May 13, 2024, the Financial Advisor verbally delivered its opinion (subsequently confirmed in writing), that subject to the assumptions, limitations and qualifications set forth in its opinion, as at the date thereof, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Appendix C. The summary the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

The Fairness Opinion is not a recommendation to any Securityholder as to how to vote or act on any matter relating to the Arrangement. The Fairness Opinion is only one factor that was taken into consideration by the Special Committee and the Board in making their respective determinations. **The Board urges Securityholders to review the Fairness Opinion carefully and in its entirety. See Appendix C.**

See “*The Arrangement – Fairness Opinion*” in this Circular and Appendix C.

### **Parties to the Arrangement**

CloudMD is a company governed by the laws of the Province of British Columbia. The registered address of CloudMD is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3EH, the head office of CloudMD is 181 University Avenue, Suite 1101, Toronto, Ontario, M5H 3M7. The Shares are listed and traded on the TSXV under the symbol “DOC” and quoted on the FSE under the symbol “6PH”.

The Purchaser is 1480775 B.C. Ltd., a corporation incorporated under the laws of British Columbia, formed for the purpose of acquiring CloudMD and consummating the transactions contemplated by the Arrangement Agreement.

The Guarantors are CPS Partners Fund LP and CPS Partners Fund V LP, both limited partnerships existing under the laws of Ontario. CPS Capital LP, the investment manager, is a private equity investment firm based in Toronto, Ontario founded in 2013 that specializes in investing in lower middle market businesses. CPS Capital LP takes a direct role working alongside management team partners drawing on their own entrepreneurial experience to assist in the realization of strategic and growth objectives. CPS Capital LP has six active platform investments with more than \$250 million in committed capital under management.

### **Letter of Transmittal**

For each Registered Shareholder, accompanying this Circular is a Letter of Transmittal. The Letter of Transmittal contains procedural information relating to the Arrangement for Registered Shareholders that hold certificate(s) representing Shares and should be reviewed carefully. In all cases, payment of the Consideration for Shares will be made only after timely receipt by the Depositary of a duly completed and signed Letter of Transmittal, together with certificate(s) representing such Shares and such other documents and instruments as the Depositary may reasonably require. The Depositary will use the “push out” method for delivery of the Consideration for those Registered Shareholders that hold Shares through the Direct Registration System, so delivery of a Letter of Transmittal is not required.

Any Shareholder whose Shares are registered in the name of a broker, investment dealer, bank, trust Company, trustee or other Intermediary should contact that Intermediary for assistance in depositing such Shares and should follow the instructions of such Intermediary in order to deposit such Shares with Endeavor.

See “*The Arrangement – Letter of Transmittal*” and “*The Arrangement – Payment of Consideration*”

### **Court Approval**

Subject to the approval of the Arrangement Resolution by Securityholders at the Meeting, the Company intends to make an application to the Court for the Final Order approving the Arrangement. The application for the Final Order is expected to take place at the courthouse of the Court at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time) on July 3, 2024, or as soon thereafter as counsel may be heard, or at any other date and time and by any other method as the Court may direct. A copy of the Notice of Petition is set forth in Appendix E to this Circular and a copy of the Interim Order is set forth in Appendix D to this Circular. The Court has broad discretion under the BCCSA when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms.

See “*The Arrangement – Court Approval*”.

### **Interests of Certain Directors and Executive Officers in the Arrangement**

In considering the unanimous recommendations of the Special Committee and the Board, Securityholders should be aware that members of the Board and the executive officers of CloudMD have interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Securityholders generally.

See “*The Arrangement – Interests of Certain Directors and Executive Officers in the Arrangement*”.

### **The Arrangement Agreement**

The Arrangement Agreement provides for the Arrangement and matters related thereto. Under the Arrangement Agreement, CloudMD has agreed to, among other things, call the Meeting to seek approval of the Arrangement Resolution by the Securityholders and, if approved, apply to the Court for the Final Order.

See “*The Arrangement Agreement*”.

### **CPS Bridge Loan**

Concurrently with the execution of the Arrangement Agreement, the Company and the Purchaser entered into the CPS Bridge Loan Agreement, pursuant to which, among other things, the Purchaser provided the Company with the CPS Bridge Loan in the amount of \$1,000,000 to support the Company’s liquidity needs during the period between the date of the Arrangement Agreement and the Effective Time.

See “*The Arrangement – CPS Bridge Loan*”.

### **Forbearance and Term Facility**

Concurrently with the execution of the Arrangement Agreement, the Company and Secured Lender entered into the Forbearance Agreement, pursuant to which, among other things, the Secured Lender agreed to a forbearance of the Credit Facilities and provided the Company with the \$2,000,000 Term Facility to support the Company’s liquidity needs during the period between the date of the Arrangement Agreement and the Effective Time.

See “*The Arrangement – Forbearance and Term Facility*”.

## **Rights of Dissent**

Pursuant to the Interim Order, Registered Shareholders as at the close of business on the Record Date have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement. A Registered Shareholder as at the close of business on the Record Date wishing to exercise rights of dissent with respect to the Arrangement must send to the Company a written objection to the Arrangement Resolution, which written objection must be sent to the Company c/o Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, ON M5H 0B4, Attention: Lindsay Clements, by no later than 5:00 p.m. (Vancouver time) on June 25, 2024 (or by 5:00 p.m. (Vancouver time) on the second Business Day immediately preceding the date that any adjourned or postponed Meeting is reconvened), and must otherwise strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of any right of dissent.

See “*Rights of Dissenting Shareholders*“. The text of Section 242(1)(a) of the BCBCA, which will be relevant in any dissent proceeding, is set forth in Appendix F to this Circular.

## **Risk Factors**

There is a risk that the Arrangement may not be completed. If the Arrangement is not completed, the Company will remain subject to all of the existing risks facing its business, including with respect to the outstanding indebtedness under the Credit Facilities. Additionally, failure to complete the Arrangement could materially and negatively impact the trading price of the Shares. The risk factors described under “*Risk Factors Relating to the Arrangement*” should be carefully considered by Securityholders.

## **Income Tax Considerations**

**Securityholders should consult their own tax advisors about the applicable Canadian, United States and foreign federal, provincial, state and local tax consequences of the Arrangement.** For a summary of certain material Canadian income tax consequences of the Arrangement for Shareholders, see “*Certain Canadian Federal Income Tax Considerations*”. **Such summary is not intended to be legal or tax advice to any particular Shareholder.**

## THE ARRANGEMENT

### Background to the Arrangement

The Arrangement Agreement is the result of arm's length negotiations among representatives of the Company and the Purchaser, and their respective financial and legal advisors. The following is a summary of the main events leading up to CPS Capital's proposal for the Arrangement, the negotiation of the Arrangement Agreement and the meetings, negotiations, actions, and discussions that preceded the public announcement of the Arrangement on May 15, 2024.

Following the Shares being listed for trading on the TSXV on June 4, 2020, the Company completed 14 acquisitions, including eight acquisitions in 2021. The acquisitions were completed during a period when the capital markets were rewarding revenue growth over near-term profitability, and interest rates and market conditions were favourable. The Company recognized that the on-going healthcare crisis was a North American-wide issue supported by funding from employer benefits, insurers and government entities and the acquisitions were designed to provide an ecosystem of healthcare services. The Company had expected to realize efficiencies and cross-selling opportunities through the integration of the acquired siloed businesses into a single cohesive organization. To complete the acquisition of Oncidium in June 2021, the Company entered into the Credit Facilities, which included a senior term loan of \$25 million.

During the first and second quarters of 2022, rising interest rates and challenging equity markets coupled with issues related to several of the acquisitions contributed to instability within the Company, underscoring the need for a leadership reorganization. This period also saw the Company receiving resignations from the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer. In August 2022, a new Chief Executive Officer and Chief Financial Officer were appointed to bring new direction and stability to the Company.

The Company reported its Q2 results in August 2022, which included a use of cash of \$17.2 million driven by costs associated with prior acquisitions such as settlement payments for VisionPros, severance payments, transaction and professional fees related to the VisionPros investigation, transaction and acquisition expenses, contingency payments, and net working capital. While the Company focused on increasing gross margin and revenue, and reducing its operating costs, such measures were not adequate to compensate for the legacy fixed costs that the Company inherited from the multiple acquisitions. As a result, the Company commenced a review of its portfolio of assets to identify either non-profitable businesses or ones that did not fit within the target ecosystem of care and which were unlikely to generate meaningful longer-term cash flows. A special committee of the Board was formed and in August 2022 was given the mandate to oversee this process and consider the strategic alternatives available to the Company.

The Financial Advisor was engaged to serve as the Company's advisor and undertook a testing-the-waters process to explore a potential sale of the Company or divestment of assets. In connection with such process, the Financial Advisor contacted a total of 30 potential buyers (18 strategic and 12 financial), with 20 entering into a confidentiality agreement and being provided with access to confidential information of the Company. None of the potential acquirors elected to submit a bid, citing various reasons for passing on the opportunity including the rapid and disparate nature of the acquired assets, lack of profitability of the Company, the risks and investment required to integrate the acquisitions, and lower than industry growth rates and margins.

Recognizing the need for a strong, independent Board, four new and three incumbent directors were elected at the Company's annual general meeting held on December 15, 2022. Other than the Chief Executive Officer, all directors on the refreshed Board are independent. The Board also has diverse experience in governance, capital markets, technology, privacy, cyber security, healthcare, and driving organic growth.

The requirement to become cash flow positive and generate positive EBITDA resulted in the Company accelerating its efforts on gross margin improvement, reducing operating costs and divesting non-core assets (including primary health clinics, retail and wholesale pharmacies, CloudPractice and the assets of Benchmark Systems). The Company also refined its strategic focus on employer health solutions (EHS) and remote patient monitoring (RPM) in the United States. In addition, the Company recognized that VisionPros (an e-commerce commodity-based business selling contact lens direct to consumers) did not fit the health ecosystem. It had a different business model compared to the rest of the Company's businesses, which were predominantly business-to-business, and required significant working capital for inventory management, and customer acquisition. VisionPros also had historical acquisition related issues.

Combined, this meant that VisionPros revenues were contracting, and the gross margins did not cover the costs of customer acquisition. These issues made it difficult to find a purchaser for VisionPros and accordingly the Company focused on containing the cash burn of the business.

In the fourth quarter of 2022, as a result of lost revenues related to Covid-19 and the on-going integration of people and processes within the employer health services (EHS) business during 2022, the Company was in a position to amend the Credit Facilities to expand the credit parties to represent how the Credit Facilities were being supported. In addition to expanding the credit parties to include CloudMD Holdings Inc., Humanacare Organizational Resources Inc., Medical Confidence Inc., and Re: Function Health Group Inc. (which was reflected in an amendment dated March 28, 2023), the Company was required to make a \$3 million principal repayment in the fourth quarter of 2022.

As management of the Company continued to uncover and enact on significant savings and profitable organic revenue growth opportunities, the Company committed to being Adjusted EBITDA positive by Q4 2023 and achieved this goal in Q3 2023. However, the Company was unable to become cash flow breakeven during the same period. This was in part because of the Company's capital structure, which included the Credit Facilities that required ongoing principal and interest payments, redundant leases and continuing non-recurring integration expenses. The Company determined that in order to achieve positive cash flow, additional capital was required to cover the remaining integration costs (including severance payments, one-time acquisition costs, redundant leases and debt repayments).

With the Company continuing to burn cash, the Company engaged in discussions with its Secured Lender for an extension of the Credit Facilities in anticipation of the June 25, 2024 maturity date. To support those discussions and consider other strategic alternatives available to the Company, the Board formed the Special Committee (a new special committee to the aforementioned) on July 26, 2023. The mandate of the Special Committee was to review and consider any proposals the Company may receive from third parties for an acquisition of the Company and other strategic alternatives (including debt or equity) that might be available to the Company, the Shareholders and other relevant stakeholders.

During this period, the Special Committee engaged in a further strategic and liquidity review. Contemporaneously with this, additional procedures were performed by the Company's auditors and management in respect of the audited consolidated financial statements for the years ended December 31, 2022, and 2021, which resulted in a restatement of such financial statements. Among the adjustments was the reclassification of the Credit Facilities as a current liability as the result of the Company not being in compliance with certain financial covenants under the Credit Facilities as at December 31, 2022. Since the Company was not in compliance, the Secured Lender had the right to demand accelerated repayment as of such date.

Concurrently with the ongoing audit, discussions with the Senior Lender and strategic review, the Company and the Financial Advisor were actively in discussion with one of the parties that had previously been approached as a potential strategic buyer ("**Buyer A**"), while also conducting an outreach to more than 37 potential lenders, including existing Shareholders, to add incremental capital to the Company's balance sheet and/or replace the Credit Facilities. However, for a number of reasons, including the continued cash burn, lack of fixed asset coverage, and market capitalization, none of the potential lenders extended an executable offer to recapitalize the Company's balance sheet.

On November 27, 2023, following several weeks of discussions, Buyer A delivered a non-binding offer to the Board to acquire all of the issued and outstanding Shares for cash. Although the parties agreed to negotiate exclusively until January 31, 2024, discussions did not meaningfully advance beyond due diligence. Despite the expiry of the exclusivity period, the parties continued to discuss a potential transaction until March 2024, when Buyer A advised that it would not be submitting an executable offer.

In February 2024 upon the expiry of the exclusivity period with Buyer A, the Financial Advisor conducted an outreach to parties previously approached and additional potential acquirers to again attempt to surface an offer to acquire the Company. Through this outreach, another strategic buyer ("**Buyer B**") (who had previously been in discussion with the Company) expressed potential interest in pursuing an acquisition. After conducting detailed due diligence, Buyer B ultimately passed on the opportunity citing the time, resources and risks associated with integration, the continued cash burn of the Company, and certain assets being non-core to its strategy.

While the Company continued to seek to extend the maturity date of the Credit Facilities, and although the Company was not provided with formal notice of the default, the Secured Lender informed the Company that it considered the

movement of cash outside of the credit parties (but within the Company) during a prior period to be in breach of the Credit Facilities. Over the course of its discussions with the Secured Lender, it became increasingly apparent that the Secured Lender would be unwilling to extend the June 25, 2024 maturity date or advance additional capital under the Credit Facilities.

Having approached 38 potential buyers and more than 37 potential lenders and having engaged in extensive due diligence with two potential strategic buyers (Buyer A and Buyer B) without an executable offer being presented, management and the Special Committee began exploring other alternatives, including a potential filing under the *Companies' Creditors Arrangement Act* (the "CCAA").

Concurrently with the Company exploring a potential CCAA filing, the Financial Advisor continued to canvas potential buyers and reapproached several parties who had passed during the prior sales process with specific timelines to submit an offer to acquire the Company. On April 19, 2024, CPS Capital delivered a non-binding proposal to the Board to acquire all of the issued and outstanding Shares for cash, in a transaction that would be completed outside of the CCAA process and preserve value for Shareholders as well other stakeholders of the Company, including the Secured Lender. Following receipt of such proposal, management of the Company discussed the merits of the proposal with the Special Committee and its Financial Advisor and continued negotiations with CPS Capital. No other executable sale or refinancing offers were received.

On April 22, 2024, the Company entered into a non-binding letter of intent (the "**LOI**") with CPS Capital, which included a commitment for the Company to deal exclusively with CPS Capital in connection with a proposal for its flagship committed capital funds to acquire the Company in a plan of arrangement that would involve the Purchaser acquiring all of the issued and outstanding Shares for a cash payment of \$0.04 per Share, as well as repayment of the Credit Facilities and assumption of the Company's other liabilities, representing a total enterprise value of approximately \$37 million. CPS Capital also agreed to arrange for the CPS Bridge Loan to provide additional certainty and liquidity for the Company to continue operating in the ordinary course during the period prior to closing of the Arrangement.

Concurrently with negotiating and entering into the LOI, management and the Financial Advisor also engaged in discussions with senior members of the Secured Lender's special loans team about entering into the Forbearance Agreement and having the Secured Lender provide the Term Facility concurrently with CPS Capital making the CPS Bridge Loan available in order to provide the Company with sufficient liquidity to close the Arrangement. It was a condition to the Secured Lender entering into the Forbearance Agreement that the Company enter into an engagement letter appointing KSV Restructuring Inc. as a financial advisor to monitor the Company's disbursements on terms satisfactory to the Secured Lender, and that the Arrangement Agreement provide for the Purchaser Termination Fee, if it becomes payable in accordance with the terms of the Arrangement Agreement, to be paid by the Purchaser directly to the Secured Lender. It was also a condition that the Arrangement satisfactorily deal with the repayment of the outstanding indebtedness under the Credit Facilities, which as of May 10, 2024, totalled \$17,318,168.40.

As a result of several factors, including the ongoing negotiations with CPS Capital and the Company's discussions with the Secured Lender, the Company was unable to file its audited consolidated annual financial statements and accompanying management's discussion and analysis for the year ended December 31, 2023 (the "**Annual Financial Filings**") by the filing deadline of April 29, 2024. The Company announced such delay on April 29, 2024, and while the Shares continued to trade on the TSXV until the imposition of a failure-to-file cease trade order on May 7, 2024, the trading price declined by approximately 50% to a price that was in line with the Consideration.

Between April 22, 2024, and May 14, 2024, the Company and CPS Capital, together with their respective legal and financial advisors, negotiated the Arrangement Agreement that sets out the terms of the proposed transaction, including the representations, warranties, conditions and deal protection measures. During this period, the parties also negotiated the form of Voting and Support Agreement that sets out the terms upon which the Company's directors and officers would vote their Shares and Options in favour of the Arrangement.

On the evening of May 13, 2024, a meeting of the Special Committee was convened with members of the Board and management of the Company, as well as representatives of each of the Financial Advisor and Cassels, the Company's legal advisor, to receive a presentation and overview of the terms and conditions of the proposed transaction, and discuss the merits, risks and alternatives to the proposed transaction. The Financial Advisor then discussed the

methodologies and analysis underlying the Fairness Opinion and verbally advised that, on the date of delivery of such opinion, subject to the assumptions, limitations and qualifications to be set forth therein, the Consideration to be received pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

After discussion, including a number of the matters discussed under the heading “*The Arrangement – Reasons for the Arrangement*”, and taking into account the best interests of the Company and the impact of the Arrangement on other stakeholders of the Company, and after consultation with its financial and legal advisors, the Special Committee unanimously determined that the Arrangement is fair to Shareholders and is in the best interests of the Company and unanimously resolved to recommend that the Board approve the Arrangement and the entering into of the Arrangement Agreement and that the Securityholders vote in favour of the Arrangement Resolution.

The Board, having been advised of the Fairness Opinion and the recommendation of the Special Committee, also concluded that the Arrangement provides the capital to support the Company’s business with specific consideration to all of the Company’s stakeholders and was the best alternative available to ensure the ongoing viability of the Company. After discussion, including a number of the matters discussed under the heading “*The Arrangement – Reasons for the Arrangement*”, and taking into account the recommendation of the Special Committee, the best interests of the Company and the impact on stakeholders of the Company, and after consultation with its financial and legal advisors, the Board unanimously determined that the Arrangement is fair to Shareholders and is in the best interests of the Company, and unanimously approved the Arrangement and entering into the Arrangement Agreement and unanimously determined to recommend that Securityholders vote in favour of the Arrangement and the Arrangement Resolution.

Following these meetings, the Company and CPS Capital, assisted by their respective legal counsels, finalized the terms of the Arrangement Agreement, the Voting and Support Agreements and the CPS Bridge Loan. The Company also finalized the terms of the Forbearance Agreement with the Secured Lender, and the Secured Lender and CPS Capital finalized the terms of the Intercreditor Agreement. On the evening of May 14, 2024, the parties executed the Arrangement Agreement and executed copies of such agreement, as well as the Voting and Support Agreements, the CPS Bridge Loan, the Intercreditor Agreement and the Forbearance Agreement were held in escrow pending release following confirmation from the Secured Lender. Such confirmation was provided the morning of May 15, 2024, and all of the executed agreements were released from escrow.

On the morning of May 15, 2024, the Company and CPS Capital issued a joint press release announcing the entering into of the Arrangement Agreement. Later that day, the Company filed the Annual Financial Filings and the failure-to-file cease trade order was revoked on May 16, 2024.

### **Reasons for the Arrangement**

The Board and the Special Committee, in unanimously determining that the Arrangement is fair to the Securityholders and in the best interests of the Company, and in making its unanimous recommendation to Securityholders, considered and relied upon a number of factors, including, among others, the following:

1. **Process** – The Arrangement with the Purchaser is the culmination of a process that included a strategic review that was initiated in August 2022 and overseen by a special committee and the strategic and liquidity review that the Special Committee has been engaged in since July 2023, with the assistance of the Financial Advisor. During that time, the Company, through its advisors, canvassed numerous other potential parties, none of which were prepared to make an executable binding offer to acquire the Company or provide capital to support the Company’s path to positive cash flow. The Arrangement provides the capital to support the Company’s business with specific consideration to all of the Company’s stakeholders and was the best alternative available to ensure the ongoing viability of the Company. Failure to complete the Arrangement could materially and negatively impact the trading price of the Shares and if the Arrangement is not completed, the Company does not expect that there will be an alternative that would provide any value to the Securityholders.
2. **Business and Industry Risks** – The Board and the Special Committee concluded that the Consideration provides certainty of value to Securityholders, which Securityholders may consider as more favourable than continuing with the Company’s current business plan, in light of the risks and uncertainties affecting the

Company and its business. These risks and uncertainties include: the current business, operations, assets, financial performance and condition, operating results and prospects of the Company, the outstanding indebtedness under the Credit Facilities and their near-term maturity, its limited cash resources, the current industry and economic conditions and trends.

3. **Fairness Opinion** – The Fairness Opinion from the Financial Advisor that, subject to and based on the considerations, qualifications, assumptions and limitations described therein, the Consideration is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion is appended as Appendix C to this Circular. Securityholders are urged to read the Fairness Opinion in its entirety.
4. **Acceptance by Directors and Officers** – Pursuant to the Voting Agreements, the Supporting Securityholders have agreed to vote all of their Shares and Options in favour of the Arrangement Resolution.
5. **Form of Consideration** – The form of consideration payable to Securityholders, being cash, provides certainty of value and immediate liquidity.
6. **Credibility of the Guarantors** – The Guarantors’ commitment, credit worthiness and record of completing transactions and the fact that the Purchaser’s obligations, including its obligation to pay the Consideration and the Payout Amount, have been guaranteed by the Guarantors. The Guarantors are expected to be better able to withstand costs, payments, fees and other expenses, in part as a result of their financial position and access to capital.
7. **Ability to Respond to Unsolicited Superior Proposals** – On and subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited *bona fide* written Acquisition Proposal that, having regard for all of its terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to Securityholders from a financial point of view than the Arrangement and the fact that the amount of the Company Termination Fee payable in certain circumstances, being \$3,000,000, would not, in the view of the Board and the Special Committee, after consultation with their legal and financial advisors, preclude a third party from potentially making a Superior Proposal.
8. **Negotiated Transaction** – The Arrangement Agreement was the result of a comprehensive negotiation process with respect to the key elements of the Arrangement Agreement and Plan of Arrangement, which includes terms and conditions that are reasonable in the judgment of the Special Committee and the Board.
9. **Fairness of the Conditions** – The Arrangement Agreement provides for certain conditions to complete the Plan of Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied.
10. **No Financing Condition** – The Purchaser’s obligation to pay the aggregate Consideration and the Payout Amount is not subject to a financing condition.
11. **Securityholder Approval** – The Arrangement Resolution must be approved by an affirmative vote of at least: (i) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders; (ii) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by Shareholders and Optionholders, voting together as a single class; and (iii) a simple majority of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders, excluding the Excluded Shares in accordance with MI 61-101.
12. **Regulatory Approval** – The Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Securityholders.
13. **Dissent Rights** – The terms of the Arrangement provide that Registered Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise Dissent Rights and, if ultimately successful, receive fair value for their Shares (as described in the Plan of Arrangement).

In the course of their deliberations, the Board and the Special Committee, in consultation with the Company's management and their legal and financial advisors, also considered a number of potential issues regarding and risks (as described in greater detail under "*Risk Factors Relating to the Arrangement*") relating to the Arrangement, including:

1. the risks to the Company and the Securityholders if the Arrangement is not completed, including the costs to the Company in pursuing the Arrangement and the outstanding indebtedness under the Credit Facilities;
2. the terms of the Arrangement Agreement restricting the Company from soliciting third parties to make an Acquisition Proposal and the specific requirements regarding what constitutes a Superior Proposal;
3. the terms of the Arrangement Agreement that require the Company to conduct its business in the Ordinary Course and prevent the Company from taking certain specified actions pending consummation of the Arrangement;
4. the fact that, following the Arrangement, the Company will no longer exist as an independent public company, the Shares will be delisted from the TSXV and Securityholders will forego any future increases in value that might result from the achievement of the Company's long-term plans;
5. the Company Termination Fee payable to the Purchaser in certain circumstances, including if the Company enters into an agreement in respect of a Superior Proposal to acquire the Company;
6. the conditions to the Purchaser's obligations to complete the Plan of Arrangement;
7. the right of the Purchaser to terminate the Arrangement Agreement under certain circumstances;
8. the Arrangement will be taxable for Securityholders and as a result the Securityholders will generally be required to pay taxes on any gains that result from the receipt of the Consideration under the Arrangement; and
9. if the Arrangement Agreement is terminated, and the Board decides to seek another transaction or business combination, including a restructuring transaction under the CCAA, there is no assurance that the Company will be able to find a party willing to pay greater or equivalent value as compared to the Consideration under the Arrangement, and the outstanding obligations under the Credit Facilities, CPS Bridge Loan and Term Facility will become immediately repayable by the Company.

The Board's and the Special Committee's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information, and such information and assumptions, are subject to various risks. See "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors Relating to the Arrangement*" in this Circular.

The foregoing summary of the information and factors considered by the Board and the Special Committee is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Arrangement, neither the Board nor the Special Committee found it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and unanimous recommendation. Their unanimous recommendations were made after considering all of the above-noted factors and in light of the Board's and the Special Committee's knowledge of the business, financial condition and prospects of the Company and was also based on the advice of financial advisors and legal advisors to the Board and the Special Committee. In addition, individual members of the Board and the Special Committee may have assigned different weights to different factors.

### **Special Committee**

The Special Committee was appointed by Board to, among other things:

- (a) review, assess and respond to expressions of interest from any party or parties to: (a) acquire control of the Company by way of an offer to acquire outstanding shares of the Company or otherwise; (b) acquire all or substantially all of the Company's assets; (c) effect any merger, amalgamation, plan of arrangement, reorganization or other business combination pursuant to which the assets and business of the Company are combined with one or more other persons; or (d) effect a transaction involving the issue by the Company to one or more other persons of securities of the Company in numbers sufficient to constitute an acquisition of control of the Company;
- (b) establish, supervise and manage a process that it considers necessary or advisable to identify, evaluate and consider potential improvements to any acquisition proposal or any alternatives to any acquisition proposal;
- (c) establish, supervise and manage a process that it considers necessary or advisable to identify, evaluate and consider alternatives to any acquisition proposal;
- (d) negotiate the terms of any acquisition proposal;
- (e) make recommendations to the Board in respect of any acquisition proposal and matters that the Special Committee considers to be relevant in response to any acquisition proposal, including with respect to the recommendation that the Board should make to the shareholders of the Company in respect of any acquisition proposal and reasons for making such recommendations; and
- (f) take such actions in connection with the foregoing as in its opinion are necessary or desirable in the discharge of its responsibilities.

Each member of the Special Committee, being Scott Milligan (Chair), Graeme McPhail and Gaston Tano, is "independent" of the Company within the meaning of National Instrument 52-110 – *Audit Committees* and is independent of the Purchaser and its affiliates.

After careful consideration, including a thorough review of the Arrangement Agreement, the advice of the Financial Advisor and the Company's legal counsel, and the Fairness Opinion, as well as a thorough review of other matters, including the matters discussed under "*The Arrangement – Reasons for the Arrangement*," and taking into account the best interests of the Company and the impact on stakeholders of CloudMD and consultation with its financial and legal advisors, the Special Committee unanimously determined that the Arrangement is fair to the Securityholders and that the Arrangement is in the best interests of the Company. Accordingly, the Special Committee unanimously recommended that the Board recommend that the Securityholders approve the Arrangement and that the Board approve the Arrangement Agreement and the Plan of Arrangement.

#### **Recommendation of the Special Committee**

The Special Committee appointed by the Board was formed to, among other things, negotiate the terms of any acquisition proposal made to the Company and to make recommendations to the Board with respect to any such acquisition proposal, including with respect to any recommendation that the Board should make to Securityholders in respect of such acquisition proposal. After careful consideration, including a thorough review of the Arrangement Agreement, the advice of the Financial Advisor and the Company's legal counsel, and the Fairness Opinion, as well as a thorough review of other matters, including the matters discussed under "*The Arrangement – Reasons for the Arrangement*," and taking into account the best interests of the Company and the impact on the stakeholders of CloudMD and consultation with its financial and legal advisors, the Special Committee unanimously determined that the Arrangement is fair to the Securityholders and that the Arrangement is in the best interests of the Company. Accordingly, the Special Committee unanimously recommended that the Board recommend that the Securityholders approve the Arrangement and that the Board approve the Arrangement Agreement and the Plan of Arrangement.

#### **Recommendation of the Board**

After careful consideration, including a thorough review of the Arrangement Agreement and the Fairness Opinion, as well as a thorough review of other matters, including the matters discussed under "*The Arrangement – Reasons for the Arrangement*," and on the unanimous recommendation of the Special Committee, the Board unanimously determined

(with Ms. Karen Adams having abstained as an “interested party” within the meaning of MI 61-101) that the Arrangement and the Consideration are fair to the Securityholders and that the Arrangement is in the best interests of the Company. **Accordingly, the Board approved the Arrangement and unanimously recommends that the Securityholders vote FOR the Arrangement Resolution.**

### **Fairness Opinion**

The Financial Advisor was requested by the Special Committee to provide an opinion as to the fairness, from a financial point of view, of the Consideration to be received by Shareholders pursuant to the Arrangement Agreement.

On May 13, 2024, the Financial Advisor verbally delivered its opinion (subsequently confirmed in writing), that as at the date thereof, the Consideration to be received by the Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to such Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Appendix C. The summary the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

Under the engagement letter with the Financial Advisor, the Company has agreed to pay the Financial Advisor certain fees for its services. The Company has also agreed to indemnify the Financial Advisor against certain liabilities in connection with its engagement.

Neither the Financial Advisor nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, the Purchaser or any other interested party (as such term is defined in MI 61-101) or any of their respective associates or affiliates. The Financial Advisor has not been engaged to provide any financial advisory services nor has it participated in any financings involving such parties within the past two years, other than acting as financial advisor pursuant to the Company’s engagement letter with the Financial Advisor. Other than as described above, there are no other understandings, agreements or commitments between the Financial Advisor and any of such parties with respect to any current or future business dealings which would be material to the Fairness Opinion. The Financial Advisor may, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of such parties from time to time.

The Fairness Opinion is not a recommendation to any Securityholder as to how to vote or act on any matter relating to the Arrangement. The Fairness Opinion is only one factor that was taken into consideration by the Special Committee and the Board in making their determinations. **The Board urges Securityholders to review the Fairness Opinion carefully and in its entirety. See Appendix C to this Circular.**

### **Voting Agreements**

The following description of the Voting Agreements is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Voting Agreements, a form of which may be found under Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Purchaser has entered into the Voting Agreements with the Supporting Securityholders pursuant to which the Supporting Securityholders have agreed, subject to the terms and conditions of the Voting Agreement, to, among other things, vote their Shares and Options in favour of the Arrangement Resolution. The Supporting Securityholders collectively beneficially own or exercise control or direction over an aggregate of 477,373 Shares and 1,366,667 Options, representing approximately 0.16% of the outstanding Shares and 0.60% of the outstanding Shares and Options collectively, as of the Record Date.

Their respective obligations under the Voting Agreement will automatically terminate on the earlier of (i) the Effective Time and (ii) the date on which the Arrangement Agreement is terminated in accordance with its terms. The Voting Agreement may also be terminated: (i) at any time upon mutual written consent of the Purchaser and the Supporting Securityholder, (ii) by the Purchaser when not in material default of its obligations under the Voting Agreement or the Arrangement Agreement if any of the Supporting Securityholder’s representations or warranties to the Purchaser are not true and correct in all material respects, or the Supporting Securityholder has not complied with its covenants to

the Purchaser in all material respects; or (iii) by the Supporting Securityholder when not in material default of its obligations under the Voting Agreement if any of the Purchaser's representations or warranties to the Supporting Securityholder are not true and correct in all material respects, the Purchaser has not complied with its covenants to the Supporting Securityholder in all material respects, or the Arrangement Agreement is amended in a manner that results in a decrease to, or change in the form of, the Consideration payable to the Supporting Securityholder without the prior written consent of the Supporting Securityholder.

## **Description of the Arrangement**

### *General*

On May 14, 2024, the Purchaser and the Company entered into the Arrangement Agreement pursuant to which, among other things, the Purchaser will acquire all of the issued and outstanding Shares. The Arrangement will be effected pursuant to a court-approved plan of arrangement under the BCBCA.

If the Arrangement is completed, on the Effective Date, the Company and the Purchaser will amalgamate to form one corporate entity, Amalco, and continue as one company under the BCBCA. Pursuant to the Plan of Arrangement, at the Effective Time, Shareholders (excluding Dissenting Shareholders) will receive \$0.04 in cash for each Share held at the Effective Time.

### *Arrangement Steps*

If the Arrangement Resolution is approved at the Meeting, the Final Order approving the Arrangement is issued by the Court and the applicable conditions to completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing and effective as at the Effective Time.

The Arrangement involves a number of steps, which will be deemed to occur sequentially commencing at the Effective Time without any further act or formality except as expressly provided in the Plan of Arrangement. The following description of the steps of the Plan of Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is attached as Appendix B of this Circular.

In particular:

- (1) each outstanding Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens), and:
  - (a) such Dissenting Shareholder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of its Shares by the Purchaser;
  - (b) the name of such Dissenting Shareholder shall be removed from the register of holders of Shares maintained by or on behalf of the Company; and
  - (c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Company as the holder of such Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens);
- (2) each outstanding Share (other than Shares held by any Dissenting Shareholder who has validly exercised such holder's Dissent Rights) shall be transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, and
  - (a) the holder of such Share shall cease to have any rights as a Shareholder other than the right to be paid the Consideration in accordance with the Plan of Arrangement;
  - (b) the name of such holder shall be removed from the register of holders of Shares maintained by or on behalf of the Company; and

- (c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Company as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens);
- (3) each Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable Option Agreement in relation thereto, shall be deemed to be unconditionally vested and exercisable, and such Option shall be, without any further action by or on behalf of the holder of such Option, surrendered by the holder thereof to the Company (free and clear of all Liens) in exchange for a cash payment equal to the amount (if any) by which the Consideration exceeds the exercise price of such Option, and such Option shall immediately be cancelled and, for greater certainty, where such amount is zero or negative, none of the Company, the Depository or the Purchaser shall be obligated to pay such Optionholder any amount in respect of such Option;
- (4) concurrently with the step described in paragraph (3) above, (a) each Optionholder shall cease to be a holder of such Options, (b) each such Optionholder's name shall be removed from the applicable register maintained by the Company, (c) all Option Agreements shall be terminated and shall be of no further force and effect, and (d) each such Optionholder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to paragraph (3) above;
- (5) each DSU that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any agreement in relation to such DSU, shall be, without any further action by or on behalf of the holder of such DSU, deemed to be assigned and transferred by such holder to the Company (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such DSU shall be immediately cancelled;
- (6) concurrently with the step described in paragraph (5) above, (a) each holder of DSUs shall cease to be a holder of such DSUs, (b) each such holder's name shall be removed from the applicable register maintained by the Company, (c) all agreements relating to the DSUs shall be terminated and shall be of no further force and effect, and (d) each such holder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to paragraph (5) above;
- (7) each RSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable RSU Agreement in relation thereto, shall be deemed to be unconditionally vested, and such RSU shall be, without any further action by or on behalf of the holder of such RSU, deemed to be assigned and transferred by such holder to the Company (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such RSU shall be immediately cancelled;
- (8) concurrently with the step described in paragraph (7) above, (a) each holder of RSUs shall cease to be a holder of such RSUs, (b) each such holder's name shall be removed from the applicable register maintained by the Company, (c) the Incentive Plan and all RSU Agreements shall be terminated and shall be of no further force and effect, and (d) each such holder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to paragraph (7) above;
- (9) the Shares shall be deemed to be de-listed from the TSX Venture Exchange and the Company shall make, and shall be deemed to have made, an election to cease to be a "public corporation" under subsection 89(1) of the Tax Act; and
- (10) the Company and the Purchaser will amalgamate to form one corporate entity, Amalco, with the same effect as if they had amalgamated under Section 276 of the BCBCA and Amalco will continue as one company under the BCBCA.

Upon the amalgamation of the Company and the Purchaser to form Amalco, the following will apply to Amalco:

- the notice of articles and articles of Amalco will be in the form of the notice of articles and articles of the Purchaser;

- the name of Amalco will be “CloudMD Software & Services Inc.”;
- the registered office of Amalco will be the registered office of the Purchaser;
- the authorized capital of Amalco will be an unlimited number of Class A common shares and an unlimited number of Class B common shares with the same rights, privileges, restrictions and conditions as the Class A Common shares and Class B Common shares, respectively, of the Purchaser;
- each issued and outstanding share of a class of the Purchaser will continue upon the amalgamation as a share of the same class of Amalco;
- all shares of the Company will be cancelled without any repayment of capital in respect thereof;
- the aggregate capital of the Class A common shares and Class B Common Shares of Amalco will be an amount equal to the sum of the paid-up capital for the purposes of the Tax Act, of the Shares and the Class A common shares and Class B common shares of the Purchaser immediately prior to the amalgamation;
- there will be no restrictions on business that Amalco is authorized to carry on or the powers that Amalco may exercise;
- the board of directors of Amalco will, until otherwise changed in accordance with the BCBCA, consist of the same individuals and number of directors as the Purchaser had immediately prior to the Effective Time;
- all authorizations previously given by the shareholders and boards of directors of the Company and the Purchaser and their predecessors will be deemed to be authorizations given by the shareholders and board of directors of Amalco;
- the initial officers of Amalco shall be the same as the officers of the Purchaser;
- the fiscal year end of Amalco will be the fiscal year end of the Purchaser; and
- the first annual general meeting of Amalco or resolutions in lieu thereof shall be held within 18 months of the Effective Date; and

The effect of the amalgamation of the Company and the Purchaser will, at the time of the amalgamation, be as follows:

- the property of each of the Company and the Purchaser will be the property of Amalco and, without limiting the provisions thereof, all rights of creditors or others will be unimpaired by such amalgamation, and all liabilities and obligations of the Company and the Purchaser, whether arising by contract or otherwise, may be enforced against Amalco to the same extent as if such obligations had been incurred or contracted by it (except in respect of any liabilities owed by the Company to the Purchaser or by the Purchaser to the Company which will be eliminated as a result of the amalgamation);
- any existing cause of action, claim or liabilities to prosecution of the Company and the Purchaser will be unaffected;
- any civil, criminal or administrative action or proceeding pending by or against either of the Company or the Purchaser may continue to be prosecuted by or against Amalco; and
- a conviction against, or ruling, order or judgment in favour of or against, either of the Company or the Purchaser may be enforced by or against Amalco.

The respective obligations of the Company and the Purchaser to complete the transactions contemplated by the Arrangement are subject to a number of conditions which must be satisfied or waived in order for the Arrangement to become effective.

For full particulars in respect of all of the events which will occur pursuant to the Plan of Arrangement, see the full text of the Plan of Arrangement which is attached as Appendix B to this Circular.

### **Required Securityholder Approval**

At the Meeting, pursuant to the Interim Order, Securityholders will be asked to approve the Arrangement Resolution. The complete text of the Arrangement Resolution to be presented to the Meeting is set forth in Appendix A to this Circular. Each Securityholder as at the Record Date will be entitled to vote on the Arrangement Resolution. The Arrangement Resolution must be approved by an affirmative vote of at least: (i) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders; (ii) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by Shareholders and Optionholders, voting together as a single class; and (iii) a simple majority of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders, excluding the Excluded Shares in accordance with MI 61-101. The Arrangement Resolution must be passed in order for the Company to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order.

### **Court Approval**

#### *Interim Order*

The Arrangement requires approval by the Court under Section 291 of the BCBCA. Prior to the mailing of this Circular, the Company obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and other procedural matters. A copy of the Interim Order is attached as Appendix D to this Circular.

#### *Final Order*

Subject to the approval of the Arrangement Resolution by Securityholders at the Meeting, the Company intends to make a petition to the Court for the Final Order approving the Arrangement. The petition for the Final Order is expected to take place at the courthouse of the Court at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time) on July 3, 2024, or as soon thereafter as counsel may be heard, or at any other date and time and by any other method as the Court may direct. A copy of the Notice of Petition is set forth in Appendix E to this Circular and a copy of the Interim Order is set forth in Appendix D to this Circular.

The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, the Company may determine not to proceed with the Arrangement.

Any Securityholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the application for the Final Order must file and serve a Response to Petition as set out in the Notice of Petition for the Final Order by no later than 4:00 p.m. (Vancouver time) on June 28, 2024, or on such other date that is two Business Days before the date of the hearing of the petition for the Final Order, along with any other documents required, all as set out in the Interim Order and the Notice of Petition, the text of which are set out in Appendix D and Appendix E to this Circular, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those persons having previously filed and served a Response to Petition will be given notice of the adjournment.

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the Interim Order and Notice of Petition attached at Appendix D and Appendix E to this Circular, respectively. The Notice of Petition constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

## **Letter of Transmittal**

Registered Shareholders will have received a Letter of Transmittal with this Circular. The Letter of Transmittal will also be available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

In order for a Registered Shareholder that holds certificate(s) representing Shares to receive the Consideration for each Share held by such Shareholder, such Registered Shareholder must deposit the certificate(s) representing their Shares with the Depository. The Letter of Transmittal, properly completed and duly executed, together with all other documents and instruments referred to in the Letter of Transmittal or reasonably requested by the Depository, must accompany all certificate(s) for Shares deposited for payment pursuant to the Arrangement. The Depository will use the "push out" method for delivery of the Consideration for those Registered Shareholders that hold Shares through the Direct Registration System, so delivery of a Letter of Transmittal is not required.

The Letter of Transmittal contains procedural information relating to the Arrangement and should be reviewed carefully. In all cases, payment of the Consideration for Shares will be made only after timely receipt by the Depository of a duly completed and signed Letter of Transmittal, together with certificate(s) representing such Shares and such other documents and instruments referred to in the Letter of Transmittal or as the Depository may reasonably require from time to time, acting reasonably. The Depository will pay the Consideration a Shareholder is entitled to receive in accordance with the instructions in the Letter of Transmittal. Registered Shareholders, other than those holding Shares through the Direct Registration System, who do not have their Share certificates should refer to "*Lost Certificates*" below.

The Purchaser reserves the right, if it so elects in its absolute discretion, to instruct the Depository to waive any irregularity contained in any Letter of Transmittal received by it. As soon as practicable following the later of the Effective Date and the deposit of the Shares, including delivery of the Letter of Transmittal, certificate(s) and other corresponding documents required from the Shareholder, the Depository will forward the Consideration payable to the applicable Shareholder in accordance with the Plan of Arrangement (see "*Payment of Consideration*" below for more information).

Any Shareholder whose Shares are registered in the name of a broker, investment dealer, bank, trust corporation, trustee or other Intermediary should contact that Intermediary for assistance in depositing such Shares and should follow the instructions of such Intermediary in order to deposit such Shares with the Depository.

The method used to deliver a Letter of Transmittal and any accompanying certificate(s) and other relevant documents, if any, is at the option and risk of the relevant Shareholder. Delivery will be deemed effective only when such documents are actually received by the Depository at the address set out in the Letter of Transmittal. The Company recommends that the necessary documentation be delivered to the Depository through registered mail with return receipt requested.

## **Payment of Consideration**

Following receipt of the Final Order and prior to the Effective Time, the Purchaser will deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Dissenting Shareholders), cash with the Depository in the aggregate amount equal to the Consideration in respect of Shares (other than Shares held by Dissenting Shareholders) required by the Plan of Arrangement, with the amount per Share in respect of which Dissent Rights have been exercised being deemed to be the Consideration for this purpose, net of applicable withholdings (see "*Withholding Rights*" below for more information), for the benefit of the Shareholders.

Upon surrender to the Depository for cancellation of certificate(s) which immediately prior to the Effective Time represented outstanding Shares that were transferred pursuant to the Plan of Arrangement, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the Shareholders represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder, the cash which such holder has the right to receive under the Arrangement for such Shares, less any amounts withheld, and any certificate so surrendered shall forthwith be cancelled.

The Depository will use the “push out” method for delivery of the Consideration for those Registered Shareholders that hold Shares through the Direct Registration System, so delivery of a Letter of Transmittal is not required. Accordingly, as soon as reasonably practicable after the Effective Time, the Depository shall deliver to such holder, the cash which such holder has the right to receive under the Arrangement for such Shares, less any amounts withheld.

As soon as reasonably practicable after the Effective Time, Amalco will deliver or cause to be delivered to former Optionholders, a cheque (or other form of immediately available funds) representing the cash amount that such holder is entitled to receive pursuant to the Plan of Arrangement, less applicable withholdings pursuant to the Plan of Arrangement.

No Securityholder shall be entitled to receive any consideration with respect to their Shares or Options other than any cash payment to which such holder is entitled to receive in accordance with the Plan of Arrangement, and, for greater certainty, no such Securityholder shall be entitled to receive any interest, dividends, premium or other payment in connection therewith.

### **Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more Shares that were transferred pursuant to the Plan of Arrangement has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the share register maintained by or on behalf of the Company, the Depository will issue in exchange for such lost, stolen or destroyed certificate, a cheque (or other form of immediately available funds) representing the cash amount to which such holder is entitled to receive for such Shares under the Plan of Arrangement in accordance with such holder’s Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered must, as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser (and following completion of the amalgamation, Amalco) and the Depository (each acting reasonably) in such sum as the Purchaser, and following completion of the amalgamation, Amalco, may direct, or otherwise indemnify the Company, the Purchaser and Amalco in a manner satisfactory to the Company and the Purchaser (and following completion of the amalgamation, Amalco) against any claim that may be made against the Company, the Purchaser or Amalco, as the case may be, with respect to the certificate alleged to have been lost, stolen or destroyed.

### **Cancellation of Rights**

If any former Registered Shareholder that holds certificate(s) representing Shares fails to deliver to the Depository, before the sixth (6<sup>th</sup>) anniversary of the Effective Date, the Letter of Transmittal, the certificates representing Shares held by such Shareholder and any other certificates, documents or instruments required to be delivered to the Depository in order for such Shareholder to receive the Consideration which such former holder is entitled to receive, on the sixth (6<sup>th</sup>) anniversary of the Effective Date, such former Share certificates will cease to represent a claim by or interest of any former Shareholder of any kind or nature against or in the Company, the Purchaser or Amalco. On such date, all cash to which such former Shareholder was entitled will be deemed to have been surrendered to Amalco and shall be paid over by the Depository to Amalco, or as directed in writing by Amalco.

Any payment made by way of cheque by the Depository (or the Company or Amalco, as the case may be) in accordance with the Plan of Arrangement that has not been deposited or has been returned to the Depository (or the Company or Amalco, as the case may be) or that otherwise remains unclaimed, in each case, on or before the sixth (6<sup>th</sup>) anniversary of the Effective Time, and any right or claim to payment thereunder that remains outstanding on the sixth (6<sup>th</sup>) anniversary of the Effective Time, will cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Shares, Options, DSUs or RSUs in accordance with the Plan of Arrangement will terminate and be deemed to be surrendered and forfeited to Amalco for no consideration.

### **Withholding Rights**

Each of the Company and the Purchaser (and following completion of the amalgamation, Amalco) and the Depository, as applicable, will be entitled to deduct and withhold from any amount otherwise payable or deliverable to any Person under the Plan of Arrangement, such amounts as are required to be deducted and withheld with respect to such payment

under the Tax Act or any provision of any other applicable Law in respect of Taxes and will remit such deduction and withholding to the appropriate Governmental Entity. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of the Plan of Arrangement as having been paid to the Person in respect of which such withholding was made.

#### **Treatment of Options, RSUs and DSUs**

Each Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable Option Agreement in relation thereto, shall be deemed to be unconditionally vested and exercisable, and such Option shall be, without any further action by or on behalf of the holder of such Option, surrendered by the holder thereof to the Company (free and clear of all Liens) in exchange for a cash payment equal to the amount (if any) by which the Consideration exceeds the exercise price of such Option, and such Option shall immediately be cancelled and, for greater certainty, where such amount is zero or negative, none of the Company, the Depository or the Purchaser shall be obligated to pay such Optionholder any amount in respect of such Option.

Each DSU that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any agreement in relation to such DSU, shall be, without any further action by or on behalf of the holder of such DSU, deemed to be assigned and transferred by such holder to the Company (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such DSU shall be immediately cancelled.

Each RSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable RSU Agreement in relation thereto, shall be deemed to be unconditionally vested, and such RSU shall be, without any further action by or on behalf of the holder of such RSU, deemed to be assigned and transferred by such holder to the Company (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such RSU shall be immediately cancelled.

#### **CPS Bridge Loan**

Concurrently with the execution of the Arrangement Agreement, the Company and the Purchaser entered into the CPS Bridge Loan Agreement, pursuant to which, among other things, the Purchaser provided the Company with the CPS Bridge Loan in the amount of \$1,000,000 to support the Company's liquidity needs during the period between the date of the Arrangement Agreement and the Effective Time.

The CPS Bridge Loan is secured and ranks *pari passu* with the security granted to the Secured Lender under the Term Facility and bears interest at a rate of the annual rate of interest established by Bank of Canada plus 0.50% per annum. The CPS Bridge Loan will be due on the earlier of (i) the closing of the Arrangement, and (ii) the date on which the lender demands repayment in writing. The CPS Bridge Loan Agreement contains standard representations, warranties, covenants and restrictions on the conduct of the Company which are customary for a loan of such nature.

#### **Forbearance and Term Facility**

Concurrently with the execution of the Arrangement Agreement, the Company and Secured Lender entered into the Forbearance Agreement, pursuant to which, among other things, the Secured Lender agreed to a forbearance of the Credit Facilities and provided the Company with the \$2,000,000 Term Facility to support the Company's liquidity needs during the period between the date of the Arrangement Agreement and the Effective Time.

Pursuant to the Forbearance Agreement, the Secured Lender agreed to forbear from exercising its rights and remedies under the Credit Facilities until the earlier of August 16, 2024 and the occurrence of an intervening event (as defined in the Forbearance Agreement). The Term Facility will bear interest at the annual rate of interest established by Bank of Canada plus 0.50%. The Term Facility is secured and ranks *pari passu* with the security granted to the lender under the CPS Bridge Loan. The Forbearance Agreement contains standard representations, warranties, covenants and restrictions on the conduct of the Company which are customary for a transaction of such nature.

## Expenses of the Arrangement

The Company estimates that expenses in the aggregate amount of approximately \$3,700,000 will be incurred by the Company in connection with the Arrangement, including legal, financial advisory, accounting, filing and printing costs, the cost of preparing and mailing this Circular and fees in respect of the Fairness Opinion.

## Interests of Certain Directors and Executive Officers in the Arrangement

In considering the unanimous recommendations of the Special Committee and the Board with respect to the Arrangement Resolution, Securityholders should be aware that certain members of the Board and the executive officers of the Company have interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Securityholders generally that may present them with actual or potential conflicts of interest in connection with the Arrangement. These include certain termination and change of control payments in specified circumstances under executive employment agreements, retention payments in specified circumstances, and Consideration to be paid for equity compensation securities (Options, RSUs and DSUs) pursuant to the Arrangement.

### *Executive Employment Agreements*

The Company is a party to employment agreements (collectively the “**Employment Agreements**”) with certain officers currently employed by the Company, being Karen Adams and Prakash Patel (each, an “**Executive**”) which provide for termination payments in certain circumstances.

In the event there is a “change of control” and the Executive is terminated without cause or, in the 12 months following the “change of control” any of the following occur:

- (a) a material change (other than a change that is clearly and exclusively consistent with a promotion) in the Executive’s position, duties, responsibilities, title or office in effect immediately prior to any change of control;
- (b) a failure by the Company to increase the Executive’s base salary, benefits, vacation or other form of compensation in a manner consistent (both as to frequency and as to percentage increase) with increases granted generally to the Company’s other executives;
- (c) a decrease in the Executive’s base salary or a material decrease in the Executive’s benefits, vacation or other compensation;
- (d) a relocation of the Executive’s principal place of employment more than 40 kilometers from the Executive’s then current place of employment; or
- (e) any action or event that would constitute a constructive dismissal at common law,

and the Executive terminates the Employment Agreement by providing the Company with notice in writing within 30 days of such event the Executive is entitled to either notice of termination equivalent to 12 months’ notice of termination, plus one additional months’ notice for each year of completed service up to a maximum of 18 months’ notice, or base salary, a pro-rated share of their target bonus payment, calculated at 50% of base salary until the end of the notice period, and benefits continuation in lieu of such notice. Upon a change of control, all Options, RSUs and other awards that have been granted to the Executive prior to the change of control will automatically vest and if not yet exercised or settled, will continue to be exercisable or settled, as applicable, in the same manner and on the same terms that existed prior to the change of control.

The Arrangement will constitute a “change of control” for the purposes of the Employment Agreements. Accordingly, in the event Ms. Adams and Mr. Patel’s Employment Agreements are terminated as outlined above, they would be entitled to lump sum severance cash payments aggregating approximately \$1,083,333 and \$562,500, respectively.

## Retention Payments

The Company entered into a retention agreement with each of the Executives, as well as Nathan Lane and John Plunkett on May 10, 2024 (collectively, the “**Retention Agreements**”). Pursuant to the Retention Agreements, each such officer is entitled to a retention payment on the occurrence of a Triggering Event (as such term is defined in the Retention Agreements), which includes closing of the Arrangement, provided they are actively employed by the Company at the Effective Time. The total estimated value of retention payments that would be received by the Executives and Messrs. Lane and Plunkett pursuant to the Retention Agreements would be an aggregate of approximately \$405,000.

## Holdings of Company Securities

As of the date of the Circular, the directors and officers of the Company beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate, 477,373 Shares, which represented approximately 0.16% of the total number of outstanding Shares, and 1,366,667 Options, 6,991,201 RSUs and 11,072,527 DSUs. All securities held by the directors and officers of the Company will be treated identically and in the same manner under the Arrangement as securities held by any other Securityholders.

The following table sets out the names and positions of the directors and officers of the Company and as of the date of the Circular, the number and percentage of Shares, Options, RSUs and DSUs owned, or over which control or direction is exercised, by each such director or officer of the Company and, where known after reasonable enquiry, by their respective associates or affiliates:

| <u>Name and Office Held</u>   | <u>Number and Percentage of Shares</u> | <u>Number and Percentage of Options</u> | <u>Number and Percentage of RSUs</u> | <u>Number and Percentage of DSUs</u> |
|---|--|---|--------------------------------------|--------------------------------------|
| Karen Adams<br><i>Chief Executive Officer,<br/>Director</i>   | 310,000<br>0.10%                       | 1,100,000<br>27.61%                     | 4,779,562<br>63.34%                  | nil<br>0%                            |
| Prakash Patel<br><i>Chief Financial Officer</i>   | nil<br>0%                              | nil<br>0%                               | 876,984<br>11.62%                    | nil<br>0%                            |
| Nathan Lane<br><i>Executive Vice<br/>President, Health and<br/>Productivity Solutions<br/>and US Operations</i> | 23,500<br>0.01%                        | 100,000<br>2.51%                        | 948,905<br>12.58%                    | nil<br>0%                            |
| John Plunkett<br><i>EVP, Strategy &amp;<br/>Corporate Development</i>   | 43,873<br>0.01%                        | Nil<br>0%                               | 250,000<br>3.31%                     | nil<br>0%                            |
| Duncan Hannay<br><i>Director</i>  | nil<br>0%                              | 160,000<br>4.02%                        | 105,750<br>1.40%                     | 2,190,227<br>19.78%                  |
| Gaston Tano<br><i>Director</i>  | nil<br>0%                              | 6,667<br>0.17%                          | 30,000<br>0.40%                      | 1,776,460<br>16.04%                  |
| Graeme McPhail<br><i>Director</i>   | 100,000<br>0.03%                       | nil<br>0%                               | nil<br>0%                            | 1,776,460<br>16.04%                  |
| John A. Hill<br><i>Director</i>   | nil<br>0%                              | nil<br>0%                               | nil<br>0%                            | 1,776,460<br>16.04%                  |
| Larry Shumka<br><i>Director</i>   | nil<br>0%                              | nil<br>0%                               | nil<br>0%                            | 1,776,460<br>16.04%                  |
| Scott Milligan<br><i>Director</i>   | nil<br>0%                              | nil<br>0%                               | nil<br>0%                            | 1,776,460<br>16.04%                  |

## **Business Combination under MI 61-101**

The Company is a reporting issuer in the Province of Ontario and, accordingly, is subject to MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among shareholders, generally by requiring enhanced disclosure, approval by a majority of shareholders (excluding “interested parties” and their joint actors) and, in certain instances, independent valuations and approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to “business combinations” (as defined in MI 61-101) that terminate the interests of shareholders without their consent.

MI 61-101 provides that, in certain circumstances, where a “related party” of an issuer (as defined in MI 61-101, which includes directors and senior officers of the Company and Shareholders holding over 10% of the Shares) at the time the transaction is agreed to (i) would, as a consequence of such transaction, directly or indirectly acquire the issuer or the business of the issuer, or combine with the issuer (through an amalgamation, arrangement or otherwise), whether alone or with joint actors, (ii) is entitled to receive, directly or indirectly, as a consequence of the transaction, consideration per equity security that is not identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class, or (iii) is entitled to receive, directly or indirectly, as a consequence of the transaction, a “collateral benefit” (as defined in MI 61-101) in connection with an arrangement (such as the Arrangement), such transaction may be considered a “business combination” for the purposes of MI 61-101.

A “collateral benefit”, as defined in MI 61-101, includes any benefit that a related party of the issuer is entitled to receive, directly or indirectly, as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancement in benefits related to past or future services as an employee, director or consultant of the Company. However, such a benefit will not constitute a “collateral benefit” provided that certain conditions are satisfied.

Under MI 61-101, a benefit received by a related party of the issuer is not considered to be a “collateral benefit” if the benefit is received solely in connection with the related party’s services as an employee, director or consultant of the issuer or an affiliated entity and (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction, (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner, (iii) full particulars of the benefit are disclosed in disclosure document for the transaction, and (iv) either (A) at the time the transaction was agreed to, the related party and its associated entities beneficially owned or exercised control or direction over less than 1% of the outstanding Shares (the “*De Minimis Exclusion*”), or (B) (x) the related party discloses to an independent committee of the Company the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the Arrangement, in exchange for the Shares beneficially owned by the related party, (y) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in (x), and (z) the independent committee’s determination is disclosed in this Circular (the “*Independent Committee Exclusion*”).

The Arrangement is a “business combination” for the purposes of MI 61-101.

### *Valuation*

MI 61-101 provides that, unless an exemption is available, a reporting issuer proposing to carry out a business combination is required to obtain a formal valuation of the “affected securities” (as defined in MI 61-101) from a qualified independent valuator and to provide the holders of such affected securities with a summary of such valuation. For the purposes of the Arrangement, the Shares are considered “affected securities” within the meaning of MI 61-101.

The Company is not required to obtain a formal valuation under MI 61-101 as no interested party (as defined in MI 61-101) would, as a consequence of the Arrangement, directly or indirectly acquire the Company or the business of the Company, or combine with the Company, through an amalgamation, arrangement or otherwise, whether alone or with joint actors. An exemption is also available from the valuation requirement because no securities of the Company are listed on the markets specified in Section 4.4(1)(a) of MI 61-101.

### *Minority Approval*

As the Arrangement is a “business combination” for the purposes of MI 61-101, the minority approval requirements of MI 61-101 will apply in connection with the Arrangement. In addition to obtaining approval of the Arrangement Resolution by at least (i) 66⅔% of the votes cast on the Arrangement Resolution at the Meeting by Shareholders, present in person (virtually) or represented by proxy and entitled to vote at the Meeting, and (ii) 66⅔% of the votes cast on such resolution by Shareholders and Optionholders, voting together as a single class, present in person (virtually) or represented by proxy and entitled to vote at the Meeting, approval will also be sought from a simple majority of the votes cast at the Meeting by the Shareholders present in person (virtually) or represented by proxy at the Meeting, excluding the votes of any “interested parties” whose votes may not be included in determining minority approval of a “business combination” under MI 61-101, as set out below.

Certain officers and directors of the Company may be entitled to receive certain benefits in connection with the Arrangement, including the benefit received as a result of the accelerated vesting of the Options, RSUs and DSUs they hold, as well as cash severance payments (which include payments for base salary, short-term incentives and health benefits). For a description of these benefits, see “*The Arrangement – Interests of Certain Directors and Executive Officers in the Arrangement*” in this Circular. These benefits would constitute “collateral benefits” if not otherwise excluded from the definition of “collateral benefit” as a result of the *De Minimis* Exclusion or the Independent Committee Exclusion.

None of the officers or directors of the Company, other than Ms. Karen Adams, are entitled to receive a “collateral benefit” as a result of the Arrangement. For the purposes of obtaining minority approval in accordance with MI 61-101, the votes attached to the 310,000 Shares held by Ms. Adams (the “**Excluded Shares**”) will be excluded from the vote.

For a summary of all securities held by directors and senior officers, see “*The Arrangement – Interests of Certain Directors and Executive Officers in the Arrangement – Holdings of Company Securities*”.

### *Prior Valuations*

To the knowledge of the Company, after reasonably inquiry, there has been no prior valuation (as defined in MI 61-101) of the Company, the Shares or the Company’s material assets in the 24 months prior to the date of this Circular.

### *Prior Offers*

The Company has not received any *bona fide* offers (as contemplated in MI 61-101) during the 24 months preceding the entry into of the Arrangement Agreement.

## **THE ARRANGEMENT AGREEMENT**

The Arrangement Agreement provides for the implementation of the Plan of Arrangement. The following is a summary only of certain provisions of the Arrangement Agreement and reference should be made to the full text of the Arrangement Agreement under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the Plan of Arrangement attached as Appendix B. This summary does not purport to be complete and may not contain all of the information about the Arrangement Agreement or the Plan of Arrangement that is important to you. Securityholders are encouraged to read the Arrangement Agreement and the Plan of Arrangement (attached as Appendix B) in their entirety.

The Arrangement Agreement and this summary of its terms have been included to provide you with information regarding the terms of the Arrangement Agreement. The Arrangement Agreement contains representations and warranties made by the Company to the Purchaser and representations and warranties made by the Purchaser and to the Company. The representations and warranties in the Arrangement Agreement and the description of them in this Circular should not be read alone, but instead should be read in conjunction with the other information contained in the reports, statements and filings under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). **Hyperlink reference not valid.**

## **Covenants**

In the Arrangement Agreement, the Company and the Purchaser have agreed to certain covenants, certain of which are described below.

### *Covenants of the Purchaser*

The Purchaser has given, in favour of the Company, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including covenants to: (i) use its commercially reasonable efforts to satisfy all conditions precedent set out in the Arrangement Agreement and carry out the terms of the Interim Order and the Final Order; (ii) use its commercially reasonable efforts to obtain and maintain all third party or other consents necessary in connection with the Arrangement; (iii) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement or the transactions contemplated by the Arrangement Agreement; (iv) use its commercially reasonable efforts to oppose, lift or rescind any injunction, restraining or other order seeking to prohibit or adversely affect the consummation of the Arrangement; and (v) not to take any commercially reasonable action or refraining from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or would reasonably be expected to prevent, delay or impede consummation of the Arrangement.

The Purchaser also has an obligation to notify the Company of any notices alleging consent is required in connection with the Arrangement, any notice from any Governmental Entity in connection with the Arrangement Agreement, or any material filing or proceeding being commenced or threatened in connection with the Arrangement.

The Purchaser shall, following receipt of the Final Order and, in any event, not later than two (2) Business Days prior to the Effective Date, transfer or cause to be transferred to the Depositary sufficient funds to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Company, the Depositary and the Purchaser, each acting reasonably) in order to satisfy the aggregate Consideration payable by the Purchaser as provided for in the Plan of Arrangement.

### *Covenants of the Company*

The Company has given, in favour of the Purchaser, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including covenants: (i) to conduct business in the Ordinary Course during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms; (ii) not to undertake certain actions without the prior written consent of the Purchaser, including among others, amendments to its constating documents and Material Contracts, certain corporate actions, making capital expenditures in excess of \$150,000 in the aggregate or disposing of any of its assets; (iii) to use commercially reasonable efforts to satisfy all conditions precedent set forth in the Arrangement Agreement and carry out the terms of the Interim Order and the Final Order; (iv) to use its commercially reasonable efforts to obtain and maintain all third party or other consents necessary in connection with the Arrangement; (v) to use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement or the transactions contemplated by the Arrangement Agreement; (vi) to use its commercially reasonable efforts to oppose any injunction, restraining or other order seeking to prohibit or adversely affect the consummation of the Arrangement; and (vii) not to take any commercially reasonable action or refraining from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or would reasonably be expected to prevent, delay or impede consummation of the Arrangement.

The Company also has an obligation to notify the Purchaser of the occurrence of any Material Adverse Effect, of any notices alleging consent is required in connection with the Arrangement, any notice from any Governmental Entity in connection with the Arrangement Agreement, or any material filing or proceeding being commenced or threatened in connection with the Arrangement.

### *Covenants Regarding Regulatory Approvals*

The Parties have agreed to prepare and file all necessary documents and applications required for the Regulatory Approvals and to use commercially reasonable efforts to obtain and maintain all Regulatory Approvals. In addition, the Parties will cooperate with one another in connection with obtaining the Regulatory Approvals including providing one another with copies of all notices and information or other correspondence supplied to, filed with or received from any Governmental Entity and will keep one another fully informed as to the status and processes relating to obtaining such approvals.

### *Covenants Regarding Non-Solicitation*

The Company has provided certain non-solicitation covenants (the “**Non-Solicitation Covenants**”) in favour of the Purchaser, as set forth below.

- (a) Except as permitted in the Arrangement Agreement, or to the extent the Purchaser has otherwise consented in writing, the Company will not, and will cause its Subsidiaries not to, directly or indirectly, through any of their respective Representatives:
- (i) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books and records or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
  - (ii) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the Purchaser and its affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal, provided that the Company may (i) contact and communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person that constitutes or could reasonably be expected to constitute or lead to, an Acquisition Proposal, (ii) advise any Person of the restrictions of the Arrangement Agreement, and (iii) advise any Person making an Acquisition Proposal that the Board (or the relevant committee thereof) has determined that their Acquisition Proposal does not constitute a Superior Proposal;
  - (iii) make a Change in Recommendation;
  - (iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than five (5) Business Days following the formal announcement or public disclosure of such Acquisition Proposal will not be considered to be in violation of the Non-Solicitation Covenants in the Arrangement Agreement, provided that the Board has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such five (5) Business Day period (or in the event that the Meeting is scheduled to occur within such five (5) Business Day Period, prior to the third (3<sup>rd</sup>) Business Day prior to the Meeting)); or
  - (v) accept or enter into or publicly propose to accept or enter into any agreement, understanding or arrangement with any Person (other than the Purchaser or any of its affiliates) in respect of an Acquisition Proposal (other than as permitted in the Arrangement Agreement).
- (b) The Company will, and will cause its Subsidiaries and their respective Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities with any Person (other than the Purchaser and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection with such termination shall: (a) discontinue access to and disclosure of all information; and (b) request (i) the return or destruction of all copies of any confidential information regarding the Company or

any Subsidiary provided to any Person (other than the Purchaser, its affiliates or any of their Representatives), and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company or any Subsidiary, to the extent that such information has not previously been returned or destroyed, using its commercially reasonable efforts to ensure that such requests are fully complied with.

- (c) The Company represented to the Purchaser that the Company has not waived any confidentiality, standstill or similar agreement, restriction or covenant in effect as of the date of the Arrangement Agreement to which the Company or any Subsidiary is a party, and covenanted and agreed that (i) the Company will use commercially reasonable efforts to enforce each confidentiality, standstill, or similar agreement, restriction or covenant to which the Company or any Subsidiary is a party, and (ii) neither the Company nor any Subsidiary have released or will, without the prior written consent of the Purchaser (which may be withheld or delayed in the Purchaser's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Company or any of its Subsidiaries, under any confidentiality, standstill or similar agreement or restriction to which the Company or any Subsidiary is a party or may become a party (it being acknowledged by the Purchaser that the automatic termination or release of any standstill restrictions of any such agreements as a result of entering into and announcing the Arrangement Agreement will not be a violation of the Arrangement Agreement).
- (d) If the Company or any of its Subsidiaries or any of their respective Representatives, receives or otherwise becomes aware of (i) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or (ii) any request for copies of, access to, or disclosure of, confidential information relating to the Company or any of its Subsidiaries, the Company will promptly notify the Purchaser, at first orally, and then promptly, and in any event within 48 hours, in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and copies of material documents, correspondence or other material received in respect of, from or on behalf of any such Person if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such communication to the Company by or on behalf of any such Person. The Company will keep the Purchaser reasonably informed of the status of material developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and will provide to the Purchaser all material correspondence relating to such Acquisition Proposal.
- (e) Notwithstanding anything to the contrary contained in items (a) through (d) above, if at any time, prior to obtaining the approval by the Securityholders of the Arrangement Resolution, the Company receives a request for material non-public information or to enter into discussions, from a Person or group of Persons that proposes to the Corporation an unsolicited Acquisition Proposal, the Company may enter into, participate, facilitate and maintain discussions or negotiations with such Person or Persons regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of confidential information, properties, facilities, or books and records of the Company or its Subsidiaries, if and only if:
- (i) the Board (based upon, *inter alia*, the unanimous recommendation of the Special Committee) first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal and has provided the Purchaser with written confirmation thereof;
  - (ii) such Person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-solicitation or similar agreement with the Company;
  - (iii) the Company has been, and continues to be, in compliance with its obligations under the Non-Solicitation Covenants;
  - (iv) prior to providing any such copies, access, or disclosure, the Company enters into a confidentiality and standstill agreement with such Person on terms no less favourable than the Confidentiality Agreement (an "**Acceptable Confidentiality Agreement**"); and

- (v) prior to providing any such copies, access or disclosure, the Company promptly provides the Purchaser with a true, complete and final executed copy of the Acceptable Confidentiality Agreement.
- (f) If the Company receives an Acquisition Proposal that the Board determines, in good faith after consultation with its financial and legal advisors, constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Securityholders, the Board may (based upon, *inter alia*, the unanimous recommendation of the Special Committee) enter into a definitive agreement with respect to such Superior Proposal if and only if:
- (i) the Company has been, and continues to be, in compliance with the Non-Solicitation Covenants in all material respects;
  - (ii) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-solicitation or similar agreement with the Company;
  - (iii) the Company has delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal and/or withdraw or modify the Board Recommendation (the “**Superior Proposal Notice**”);
  - (iv) at least five (5) full Business Days (the “**Matching Period**”) have elapsed from the date the Purchaser received the Superior Proposal Notice;
  - (v) during any Matching Period, the Purchaser has had the opportunity, but not the obligation, to propose to amend the terms of the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;
  - (vi) if the Purchaser has offered to amend the Arrangement Agreement and the Arrangement, the Board has determined in good faith, after consultation with the Company’s outside legal and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal compared to the terms of the Arrangement as proposed to be amended by the Purchaser;
  - (vii) the Board has determined in good faith, after consultation with the Company’s outside legal counsel, that the failure of the Board to enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties; and
  - (viii) prior to or concurrently with entering into such definitive agreement with respect to such Superior Proposal, the Company terminates the Arrangement Agreement and pays the Purchaser the Company Termination Fee.
- (g) During the Matching Period, the Purchaser will have the opportunity, but not the obligation, to propose to amend the terms of the Arrangement Agreement, including an increase in, or modification of, the Consideration. During the Matching Period: (a) the Board will review any offer made by the Purchaser to amend the terms of the Arrangement Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Company will negotiate in good faith with the Purchaser to make such amendments to the terms of the Arrangement Agreement or the Plan of Arrangement as would enable the Purchaser to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company will promptly so advise the Purchaser and the Company and the Purchaser shall amend the Arrangement Agreement to reflect such offer made by the Purchaser, and will take and cause to be taken all such actions as are necessary to give effect to the foregoing.

- (h) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the Consideration (or value of such Consideration) to be received by Shareholders or other material terms or conditions thereof will constitute a new Acquisition Proposal, and the Purchaser will be afforded a new Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice with respect to the new Superior Proposal from the Company.
- (i) At the written request of the Purchaser, the Board will promptly reaffirm the Board Recommendation (based upon, *inter alia*, the unanimous recommendation of the Special Committee) by press release after any Acquisition Proposal which is not determined to be a Superior Proposal is publicly announced or publicly disclosed or the Board determines that a proposed amendment to the terms of the Arrangement Agreement or Plan of Arrangement would result in an Acquisition Proposal no longer being a Superior Proposal. The Company will provide the Purchaser and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and will make all reasonable amendments to such press release as requested by the Purchaser and its counsel.
- (j) If the Company provides a Superior Proposal Notice to the Purchaser on a date that is less than ten (10) Business Days before the Meeting, the Company will be permitted to either proceed with or, upon request from the Purchaser, acting reasonably, adjourn or postpone the Meeting to a date that is not more than five (5) Business Days after the scheduled date of the Meeting, but in any event the Meeting will not be adjourned or postponed to a date which would prevent the Effective Date from occurring on or prior to the Outside Date.

#### *Employment Matters*

Prior to the Effective Time, the Company will use commercially reasonable efforts to:

- (a) cause, and to cause its Subsidiaries to cause, all directors and officers of the Company and its Subsidiaries whose employment or engagement is not being continued by the Purchaser to provide resignations and releases of all claims against the Company or at the written request of the Purchaser shall terminate such officers effective as at the Effective Time; and
- (b) cause each of the key employees of the Company to enter into a new employment agreement (to be effective as of the Effective Date) with the Company on terms satisfactory to the Purchaser, acting reasonably, which terms will be at least equivalent to such individual's existing employment terms.

The Purchaser agrees that it will cause the Company, its Subsidiaries and any successor to the Company to honour and comply with the terms of all of the severance payment obligations of the Company or its Subsidiaries under the existing employment, consulting, change of control and severance agreements of the Company or its Subsidiaries, in exchange for the execution of full and final releases of the Company and its Subsidiaries from all liability and obligations in favour of the Company and in form and substance satisfactory to the Purchaser, acting reasonably.

#### *Insurance and Indemnification*

The Company will purchase customary "tail" or "run off" policies of directors' and officers' liability insurance, at a cost not exceeding 300% of the Company's current annual aggregate premium for policies currently maintained by the Company, providing coverage for a period of six years from the Effective Date with respect to claims arising from or related to facts or events which occur on or prior to the Effective Date.

#### *Pre-Acquisition Reorganization*

The Company has agreed that, upon request of the Purchaser, it will use its commercially reasonable efforts to effect such reorganizations of its business, operations and assets or such other transactions (each, a "**Pre-Acquisition Reorganization**") as the Purchaser may reasonably request; provided, however, that the Company need not effect a Pre-Acquisition Reorganization unless such Pre-Acquisition Reorganization, among other things: (i) can be completed prior to the Effective Date; and (ii) does not impair the ability of the Company, the Purchaser or the Guarantors to consummate, and will not materially delay the consummation of, the Arrangement.

If the Arrangement is not completed, the Purchaser will be responsible for all costs and expenses associated with any proposed Pre-Acquisition Reorganization and will indemnify and hold harmless the Company, its Subsidiaries and Representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgement, Taxes and penalties suffered or incurred by any of them in connection with or as a result of any such Pre-Acquisition Reorganization, and at the sole discretion of the Company, reverse or unwind any Pre-Acquisition Reorganization.

### **Guarantee**

Concurrently to the Arrangement Agreement, the Purchaser has delivered to the Company an unconditional and irrevocable limited guarantee from each Guarantor (the “**Guarantees**”). The Guarantors will jointly and severally guarantee the obligations and liabilities of the Purchaser (and its successors and permitted assigns) under the Arrangement Agreement and the Plan of Arrangement, including (i) providing the Depository with sufficient funds to pay the aggregate Consideration payable to Shareholders pursuant to the Arrangement, (ii) providing the Secured Lender with the Payout Amount, and (iii) all related or other fees and expenses for which the Purchaser is responsible under the terms of the Arrangement Agreement.

### **Representations and Warranties**

The Arrangement Agreement contains representations and warranties made by the Company to the Purchaser and representations and warranties made by the Purchaser to the Company. The representations and warranties were made solely for the purposes of the Arrangement Agreement and are subject to important qualifications and limitations agreed to by the Parties in connection with negotiating its terms. Moreover, some of the representations and warranties contained in the Arrangement Agreement have been made as of specified dates or are subject to a contractual standard of materiality (including Material Adverse Effect) that are different from what may be viewed as material to Securityholders, or may have been used for the purpose of allocating risk between parties to an agreement instead of establishing such matters as facts. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by the Company in favour of the Purchaser relate to, among other things: organization and qualification; corporate authorization; execution and binding obligation; governmental authorization; no conflict/non-contravention; capitalization; shareholders’ and similar agreement; subsidiaries; securities law matters; compliance with laws; authorizations and licenses; Fairness Opinion; interested parties; brokers; Board and Special Committee approval; Material Contracts; litigation; financial statements; absence of certain changes; related party transactions; Taxes; employee matters; property; insurance; anti-money laundering and anti-corruption; intellectual property, technology and privacy; auditor and transfer agent; government assistance; and *Competition Act* (Canada).

The representations and warranties provided by the Purchaser in favour of the Company relate to, among other things: organization and qualification; corporate authorization; execution and binding obligation; governmental authorization; non-contravention; litigation; security ownership; certain arrangements; and financial capacity.

### **Conditions of Closing**

#### *Mutual Conditions*

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

- (a) the Arrangement Resolution will have been approved by the Securityholders at the Meeting in accordance with the Interim Order;
- (b) the Interim Order and Final Order will have been obtained on terms consistent with the Arrangement Agreement, and have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise;

- (c) the Regulatory Approvals will have been obtained;
- (d) no Law will be in effect that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser from consummating the Arrangement; and
- (e) no actions will have been commenced by any Governmental Entity against the Company, any of its Subsidiaries or the Purchaser that remains pending and would (i) prohibit consummation of the Arrangement or (ii) cease trade, enjoin or prohibit the Purchaser's ability to acquire any Shares upon completion of the Arrangement.

*Additional Conditions Precedent to the Obligations of the Purchaser*

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) the representation and warranties of the Company that are the fundamental representations of the Company are true and correct as of the Effective Time in all respects, and all other representations and warranties of the Company are true and correct except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect and except for representations and warranties made as of a specified date, the accuracy of which will be determined as of such specified date;
- (b) the Company will have fulfilled or complied in all material respects with its covenants in the Arrangement Agreement to be fulfilled or complied with by it at or before the Effective Time;
- (c) Dissent Rights will not have been exercised (and not withdrawn) with respect to more than 5% of the issued and outstanding Shares;
- (d) the Company will have obtained all required third party consents and provided all required notices to applicable third parties; and
- (e) since the date of the Arrangement Agreement, there will not have occurred a Material Adverse Effect.

*Additional Conditions Precedent to the Obligations of the Company*

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

- (a) the representations and warranties of the Purchaser that are the fundamental representations of the Purchaser are true and correct as of the Effective Time in all respects, and all other representations and warranties of the Purchaser are true and correct except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not materially impede completion of the Arrangement and except for representations and warranties made as of a specified date, the accuracy of which will be determined as of such specified date;
- (b) the Purchaser will have complied in all material respects with each of the covenants in the Arrangement Agreement to be performed and complied with by it at or before the Effective Time;
- (c) the Purchaser will have deposited or caused to be deposited with the Depository in escrow in accordance with the Arrangement Agreement, the funds required to effect payment in full of the aggregate Consideration to be paid pursuant to the Arrangement, and the Depository will have confirmed receipt of the Consideration; and

- (d) no later than one (1) Business Day prior to the Effective Date, the Purchaser will have made arrangements satisfactory to the Secured Lender to indefeasibly pay in full all indebtedness, liabilities and obligations under the Credit Facilities (the “**Payout Amount**”) as set out in a payout letter to be provided by the Secured Lender pursuant to the Forbearance Agreement.

### **Termination**

The Arrangement Agreement may be terminated prior to the Effective Time by:

- (a) the mutual agreement of the Parties;
- (b) either the Company or the Purchaser if:
- (i) the approval of the Arrangement Resolution by the Securityholders is not obtained at the Meeting in accordance with the Interim Order provided that a Party may not terminate pursuant to this provision if the failure to obtain such approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;
  - (ii) any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Company or the Purchaser from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, or
  - (iii) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate pursuant to this provision if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties under the Arrangement Agreement or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;
- (c) the Company if:
- (i) a breach of any representation, warranty, covenant or agreement on the part of the Purchaser under the Arrangement Agreement occurs that would cause any conditions described in paragraphs (a) and (b) in “*Conditions to Closing – Additional Conditions Precedent to the Obligations of the Company*” above not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of the Arrangement Agreement; provided that the Company is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any of the conditions described in paragraphs (a) and (b) in “*Conditions to Closing – Additional Conditions Precedent to the Obligations of the Purchaser*” above not to be satisfied, and provided further that the Company may not terminate the Arrangement Agreement if the Company or its Representatives had actual knowledge of the breach of the representation or warranty as of the date of the Arrangement Agreement or the breach of covenant is the result of any action or failure to take any action by the Company after the date of the Arrangement Agreement; or
  - (ii) prior to the approval by the Securityholders of the Arrangement Resolution, the Board authorizes the Company to enter into a definitive written agreement (other than an Acceptable Confidentiality Agreement) with respect to a Superior Proposal, provided the Company is then in compliance with the Non-Solicitation Covenants in all material respects and that prior to or concurrent with such termination, the Company pays the Company Termination Fee; and
- (d) the Purchaser, on its own behalf and on behalf of the Guarantors if:
- (i) a breach of any representation, warranty, covenant or agreement on the part of the Company under the Arrangement Agreement occurs that would cause any condition described in paragraphs (a) and (b) in “*Conditions to Closing – Additional Conditions Precedent to the Obligations of the*

*Purchaser*” above not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of the Arrangement Agreement; provided that the Purchaser is not then in breach of the Arrangement Agreement so as to directly or indirectly cause any of the conditions described in paragraphs (a) and (b) in “*Conditions to Closing – Additional Conditions Precedent to the Obligations of the Company*” above not to be satisfied, and provided further, that the Purchaser may not terminate the Arrangement Agreement if the Purchaser or its Representatives had actual knowledge of the breach of the representation or warranty as of the date of the Arrangement Agreement, or the breach of covenant is the result of any action or failure to take any action by the Purchaser after the date of the Arrangement Agreement;

- (ii) prior to the approval by the Securityholders of the Arrangement Resolution, the Board or the Special Committee makes a Change in Recommendation;
- (iii) prior to the approval by the Securityholders of the Arrangement Resolution, the Company, its Subsidiaries or their respective Representatives willfully breaches any of their obligations under the Non-Solicitation Covenants;
- (iv) since the date of the Arrangement Agreement, a Material Adverse Effect occurs; or
- (v) the Company fails to hold the Meeting on or before the Outside Date.

#### **Termination Fees and Expense Reimbursement**

The Arrangement Agreement contains a Company Termination Fee of \$3,000,000 payable by the Company to the Purchaser. The Company Termination Fee is payable if the Arrangement agreement is terminated (i) by the Purchaser because of a wilful breach of a representation, warranty or covenant by the Company or any of its Subsidiaries; (ii) by the Purchaser because there is a Change in Recommendation by the Board (unless the Change in Recommendation is as a result of a material adverse effect with respect to the Purchaser or a Guarantor); (iii) by the Purchaser because the Company willfully breached the Non-Solicitation Covenants in the Arrangement Agreement; or (iv) by the Company to enter into a Superior Proposal.

The Arrangement Agreement provides that the Company is to reimburse the Purchaser in respect of its reasonable and documented expenses actually incurred in respect of the Arrangement up to a maximum of \$1,500,000 (the “**Expense Reimbursement Amount**”), in the event that the Arrangement Agreement is terminated by the Purchaser because the Securityholders do not approve the Arrangement or the Company fails to hold the Meeting on or before the Outside Date. The Expense Reimbursement Amount is only payable if the Company Termination Fee or the Purchaser Termination Fee is not otherwise payable by either Party.

The Arrangement Agreement contains a Purchaser Termination Fee of \$1,750,000 payable by the Purchaser to the Company. The Purchaser Termination Fee is payable if the Arrangement Agreement is terminated by the Company because of a wilful breach of a representation, warranty or covenant by the Purchaser.

#### **Amendments**

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Plan of Arrangement, the Interim Order and the Final Order, without further notice to or authorization on the part of the Shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;

- (c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or
- (d) waive compliance with or modify conditions contained in the Arrangement Agreement;

provided that no such amendment or waiver may reduce or materially adversely affect the Consideration to be received by Shareholders under the Arrangement or change the timing of payment, or the form of, the Consideration without their approval at the Meeting or, following the Meeting, without their approval given in the same manner as required by applicable Laws for the approval of the Arrangement as may be required by the Court.

## **RISK FACTORS RELATING TO THE ARRANGEMENT**

The following risk factors relating to the Arrangement should be considered by Securityholders in evaluating whether to vote to approve the Arrangement Resolution. These risk factors should be considered in conjunction with the other information contained in or incorporated by reference into this Circular.

***There can be no certainty that all conditions precedent to the Arrangement will be satisfied. Failure to complete the Arrangement could negatively impact the market price of the Shares.***

The Arrangement is subject to certain conditions that are outside the control of CloudMD and the Purchaser. The Arrangement is conditional upon, among other things, approval of the Arrangement Resolution by Securityholders, approval by the Court and CloudMD, the Purchaser having obtained all government or regulatory approvals required by law, policy or practice, and the Purchaser having paid the Payout Amount. There can be no assurance that these conditions will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. A substantial delay in obtaining satisfactory approvals or the imposition of unfavourable terms or conditions in any government or regulatory approvals could have an adverse effect on the business, financial condition or results of operations of CloudMD. **Failure to complete the Arrangement could have a material adverse effect on the Company and the market price of the Shares. If the Arrangement is not completed, the Company does not expect that there will be an alternative that would provide any value to the holders of CloudMD's equity securities.** In addition, if the Arrangement is not completed, CloudMD will continue to be subject to all of the existing risks facing its business, including with respect to the outstanding indebtedness under the Credit Facilities. The outstanding obligations under the Credit Facilities, CPS Bridge Loan and Term Facility will become immediately repayable by the Company if the Arrangement is terminated.

***The Arrangement Agreement may be terminated by the Parties in certain circumstances.***

Each of the Purchaser and CloudMD has the right to terminate the Arrangement Agreement and the Arrangement in certain circumstances. Accordingly, there can be no assurance that the Arrangement Agreement will not be terminated by either the Purchaser or CloudMD before the completion of the Arrangement. See "*The Arrangement Agreement – Termination*".

***Directors and executive officers of CloudMD may have interests in the Arrangement that are different from those of Securityholders generally.***

Certain executive officers and directors of CloudMD may have interests in the Arrangement that may be different from, or in addition to, the interests of Securityholders generally. The Board established the Special Committee comprised of independent directors to evaluate the Arrangement and advise the full Board on whether the Arrangement is in the best interests of CloudMD and fair to the Securityholders. The Special Committee and the Board each unanimously recommended in favour of the Arrangement. Nevertheless, Securityholders should consider these interests in connection with their vote on the Arrangement Resolution, including whether these interests may have influenced CloudMD's executive officers and directors to recommend or support the Arrangement. See "*The Arrangement – Interests of Certain Directors and Executive Officers in the Arrangement*".

***The Company Termination Fee provided under the Arrangement Agreement if the Arrangement Agreement is terminated in certain circumstances may discourage other parties from attempting to acquire the Company.***

Under the Arrangement Agreement, the Company is required to pay the Company Termination Fee of \$3,000,000 in the event the Arrangement Agreement is terminated in certain circumstances. While the Board has determined that the Company Termination Fee is reasonable, it may nevertheless discourage other parties from attempting to acquire the Shares, even if those parties would otherwise be willing to offer greater value than that offered under the Arrangement. The Board is also limited in its ability to change its unanimous recommendation with respect to Arrangement-related proposals. See “*The Arrangement Agreement – Termination*”.

***If the Company is unable to complete the Arrangement or if completion of the Arrangement is delayed, there could be an adverse effect on the Company’s business, financial condition, operating results and the price of its Shares.***

The completion of the Arrangement is subject to the satisfaction of numerous closing conditions, including the approval of the Arrangement Resolution by the Securityholders, receipt of the Final Order and the necessary conditional approvals or equivalent approvals. A substantial delay in obtaining satisfactory approvals could have an adverse effect on the business, financial condition or results of operations of the Company or could result in the termination of the Arrangement Agreement. If (a) Securityholders choose not to approve the Arrangement, (b) the Company otherwise fails to satisfy, or fails to obtain a waiver of the satisfaction of, the closing conditions to the transaction and the Arrangement is not completed, (c) a Material Adverse Effect has occurred that results in the termination of the Arrangement Agreement, or (d) any legal proceeding results in enjoining the transactions contemplated by the Arrangement, the Company could be subject to various adverse consequences, including that the Company would remain liable for significant costs relating to the Arrangement, including, among others, legal, accounting, financial advisory and printing expenses, and the outstanding obligations under the Credit Facilities, CPS Bridge Loan and Term Facility will become immediately repayable by the Company.

***Repayment of the CPS Bridge Loan and the Term Facility***

In the event that the Arrangement has not been completed prior to the Outside Day or is otherwise terminated in accordance with its terms, any amounts outstanding under the CPS Bridge Loan and Term Facility, plus accrued interest, will be immediately repayable by the Company. There can be no assurance CloudMD will be able to raise sufficient capital to repay the CPS Bridge Loan and the Term Facility in the event that the Arrangement is not completed. There is a risk that this and any other such facilities or loans, including the Credit Facilities, will go into default if there is a breach of any covenants or other obligations, including the failure to complete the Arrangement, which could have a Material Adverse Effect on CloudMD.

***There is uncertainty surrounding completion of the Arrangement.***

As the Arrangement is dependent upon satisfaction of a number of conditions precedent, its completion is uncertain. In response to this uncertainty, the entities which do business with CloudMD may delay or defer decisions concerning CloudMD. Any delay or deferral of those decisions by such entities could adversely affect the business and operations of CloudMD, regardless of whether the Arrangement is ultimately completed.

Similarly, uncertainty may adversely affect CloudMD’s ability to attract or retain key personnel. In the event the Arrangement Agreement is terminated, CloudMD’s relationships with business partners, suppliers, employees and other stakeholders may be adversely affected. Changes in such relationships could adversely affect the business and operations of CloudMD.

***While the Arrangement is pending, the Company is restricted from taking certain actions.***

The Arrangement Agreement restricts the Company from taking certain specified actions until the Arrangement is completed without the consent of the Purchaser. These restrictions may prevent the Company from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

***The pending Arrangement may divert the attention of the Company's management.***

The Arrangement could cause the attention of the Company's management to be diverted from the day-to-day operations and customers or suppliers may seek to modify or terminate their business relationships with the Company. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could have an adverse effect on the business, operating results or prospects of the Company.

***CloudMD will incur costs.***

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by CloudMD even if the Arrangement is not completed.

**INFORMATION REGARDING CLOUDMD**

CloudMD is an innovative health services company transforming the delivery of care and is incorporated under the laws of British Columbia, Canada. The Company's registered office is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3EH and the Company's head office is 181 University Avenue, Suite 1101, Toronto, Ontario, M5H 3M7.

CloudMD's authorized capital consists of an unlimited number of Shares. As at May 23, 2024, 304,679,883 Shares were issued and outstanding.

**Market for Securities**

The Shares are listed and traded on the TSXV under the symbol "DOC" and on the FSE under the symbol "6PH". CloudMD is a reporting issuer in each of the provinces of Canada and is subject to the informational reporting requirements under applicable Canadian Securities Laws. On May 7, 2024, the last trading day prior to the announcement of the Arrangement, the closing price of the Shares on the TSXV was \$0.045.

***Trading Price and Volume***

The following sets out the volume of trading and price range of the Shares traded or quoted on the TSXV under the symbol "DOC" during the 12-month period preceding the date of this Circular:

| <b>Period</b>   | <b>High</b> | <b>Low</b> | <b>Total Volume</b> |
|-----------------|-------------|------------|---------------------|
| May 2023        | \$0.195     | \$0.170    | 3,285,395           |
| June 2023       | \$0.175     | \$0.130    | 4,090,892           |
| July 2023       | \$0.160     | \$0.125    | 3,424,605           |
| August 2023     | \$0.170     | \$0.120    | 3,490,719           |
| September 2023  | \$0.190     | \$0.135    | 2,049,109           |
| October 2023    | \$0.150     | \$0.110    | 2,930,527           |
| November 2023   | \$0.165     | \$0.105    | 5,278,050           |
| December 2023   | \$0.125     | \$0.080    | 9,071,417           |
| January 2024    | \$0.095     | \$0.075    | 7,229,503           |
| February 2024   | \$0.080     | \$0.055    | 7,111,309           |
| March 2024      | \$0.130     | \$0.060    | 5,113,202           |
| April 2024      | \$0.095     | \$0.035    | 7,798,491           |
| May 1 – 7, 2024 | \$0.055     | \$0.040    | 1,064,503           |

On May 7, 2024, the last day the Shares were trading before the date of this Circular, the closing price of the Shares on the TSXV was \$0.045.

If the Arrangement is completed, the Purchaser will acquire all of the Shares and the Options, RSUs and DSUs will be transferred to the Company and cancelled and will be of no further force and effect, all in exchange for payment,

if any, in accordance with the terms of the Arrangement. The Company and the Purchaser will amalgamate to form one corporate entity, Amalco, and will continue as one corporation under the BCBCA.

The Purchaser intends to have the Shares de-listed from the TSXV and FSE following completion of the Arrangement.

The Purchaser expects to apply to have CloudMD cease to be a reporting issuer in all jurisdictions in which it is a reporting issuer in Canada.

#### *Prior sales*

Other than the Shares issued pursuant to the exercise of Options, RSUs and DSUs, and in connection with acquisitions, no Shares or other securities of CloudMD have been purchased or sold by CloudMD during the 12-month period preceding the date of this Circular, other than noted in the table below under “*Information Regarding CloudMD – Previous Distributions*”.

#### **Previous Distributions**

The following table sets forth the Shares distributed during the five-year period preceding the date of this Circular:

| <b>Date of Issuance</b> | <b>Transaction</b>                 | <b>Number of Shares Issued</b> | <b>Purchase/Exercise/Deemed Price per Share</b> |
|-------------------------|------------------------------------|--------------------------------|---|
| October 31, 2023        | Acquisition <sup>(1)</sup>         | 2,173,913                      | \$2.30  |
| June 22, 2023           | Acquisition <sup>(2)</sup>         | 568,182                        | \$0.88  |
| April 3, 2023           | Acquisition <sup>(3)</sup>         | 142,857                        | \$2.625   |
| March 2, 2023           | Acquisition <sup>(4)</sup>         | 74,468                         | \$2.47  |
| January 27, 2023        | Acquisition <sup>(1)</sup>         | 5,869,565                      | \$2.30  |
| January 18, 2023        | Acquisition <sup>(5)</sup>         | 1,552,795                      | \$1.61  |
| November 18, 2022       | Acquisition <sup>(6)</sup>         | 759,549                        | \$2.88  |
| July 6, 2022            | Acquisition <sup>(2)</sup>         | 568,182                        | \$0.88  |
| June 6, 2022            | RSU Vesting                        | 250,000                        | N/A   |
| June 3, 2022            | Warrant Exercise                   | 3,900                          | \$1.00  |
| June 2, 2022            | Warrant Exercise                   | 1,550                          | \$1.10  |
| April 8, 2022           | Acquisition <sup>(7)</sup>         | 2,659,715                      | \$1.15  |
| April 5, 2022           | Acquisition <sup>(1)</sup>         | 5,869,565                      | \$2.30  |
| March 31, 2022          | Warrant Exercise                   | 35,000                         | \$0.70  |
| March 30, 2022          | Warrant Exercise                   | 104,167                        | \$0.70  |
| March 25, 2022          | Acquisition <sup>(8)</sup>         | 328,947                        | \$2.28  |
| March 24, 2022          | Acquisition <sup>(5)</sup>         | 931,677                        | \$1.61  |
| March 24, 2022          | Acquisition <sup>(6)</sup>         | 759,549                        | \$2.88  |
| March 24, 2022          | Acquisition <sup>(3)</sup>         | 142,857                        | \$2.625   |
| March 21, 2022          | Warrant Exercise                   | 86,250                         | \$0.70  |
| March 18, 2022          | Warrant Exercise                   | 10,464                         | \$0.48  |
| March 14, 2022          | Warrant Exercise                   | 40,000                         | \$0.70  |
| March 3, 2022           | Acquisition <sup>(4)</sup>         | 74,468                         | \$2.47  |
| February 11, 2022       | Option Exercise                    | 100,000                        | \$0.50  |
| February 2, 2022        | Compensation Shares <sup>(9)</sup> | 18,000                         | \$0.35  |
| January 26, 2022        | Warrant Exercise                   | 1,685                          | \$1.00  |
| January 17, 2022        | Warrant Exercise                   | 100,000                        | \$1.00  |

| Date of Issuance   | Transaction                         | Number of Shares Issued | Purchase/Exercise/Deemed Price per Share |
|--------------------|-------------------------------------|-------------------------|--|
| January 14, 2022   | Acquisition <sup>(10)</sup>         | 54,820,961              | \$0.97                                   |
| December 15, 2021  | Warrant Exercise                    | 25,000                  | \$1.00                                   |
| November 30, 2021  | Option Exercise                     | 25,000                  | \$0.76                                   |
| November 30, 2021  | RSU Vesting                         | 93,750                  | N/A                                      |
| September 30, 2021 | Warrant Exercise                    | 62,500                  | \$0.65                                   |
| September 28, 2021 | DSU Vesting                         | 90,000                  | N/A                                      |
| September 24, 2021 | Warrant Exercise                    | 78,750                  | \$0.65                                   |
| September 16, 2021 | Warrant Exercise                    | 10,416                  | \$0.70                                   |
| September 13, 2021 | Warrant Exercise                    | 22,500                  | \$0.65                                   |
| September 13, 2021 | RSU Vesting                         | 10,000                  | N/A                                      |
| September 9, 2021  | Warrant Exercise                    | 3,750                   | \$1.00                                   |
| August 20, 2021    | Option Exercise                     | 225,000                 | \$0.50                                   |
| August 20, 2021    | Option Exercise                     | 300,000                 | \$0.70                                   |
| August 20, 2021    | RSU Vesting                         | 85,000                  | N/A                                      |
| August 17, 2021    | Warrant Exercise                    | 21,500                  | \$1.00                                   |
| August 5, 2021     | RSU Vesting                         | 11,000                  | N/A                                      |
| July 31, 2021      | Acquisition <sup>(11)</sup>         | 198,348                 | \$0.605                                  |
| July 23, 2021      | Option Exercise                     | 27,500                  | \$0.50                                   |
| July 23, 2021      | Warrant Exercise                    | 65,000                  | \$0.65                                   |
| July 23, 2021      | Warrant Exercise                    | 42,500                  | \$0.70                                   |
| July 14, 2021      | Warrant Exercise                    | 79,000                  | \$0.65                                   |
| July 14, 2021      | Option Exercise                     | 25,000                  | \$0.70                                   |
| July 14, 2021      | RSU Vesting                         | 150,000                 | N/A                                      |
| June 30, 2021      | Warrant Exercise                    | 143,750                 | \$0.65                                   |
| June 30, 2021      | Warrant Exercise                    | 2,500                   | \$0.48                                   |
| June 25, 2021      | Acquisition <sup>(1)</sup>          | 16,521,739              | \$2.30                                   |
| June 23, 2021      | Acquisition <sup>(12)</sup>         | 4,909,089               | \$2.75                                   |
| June 23, 2021      | Finders Fee <sup>(13)</sup>         | 986,842                 | \$3.04                                   |
| June 16, 2021      | Compensation Shares <sup>(14)</sup> | 55,249                  | \$1.81                                   |
| June 16, 2021      | Warrant Exercise                    | 104,200                 | \$0.70                                   |
| June 11, 2021      | Warrant Exercise                    | 78,150                  | \$0.70                                   |
| June 8, 2021       | Warrant Exercise                    | 25,000                  | \$0.65                                   |
| June 8, 2021       | Warrant Exercise                    | 15,385                  | \$1.00                                   |
| June 2, 2021       | Warrant Exercise                    | 26,050                  | \$0.70                                   |
| May 26, 2021       | DSU Vesting                         | 50,000                  | N/A                                      |
| May 19, 2021       | Warrant Exercise                    | 338,650                 | \$0.70                                   |
| May 18, 2021       | Warrant Exercise                    | 13,250                  | \$0.70                                   |
| May 17, 2021       | Warrant Exercise                    | 7,600                   | \$1.00                                   |
| May 11, 2021       | Acquisition <sup>(15)</sup>         | 1,673,640               | \$2.39                                   |
| May 3, 2021        | Warrant Exercise                    | 95,000                  | \$1.00                                   |
| April 28, 2021     | Warrant Exercise                    | 275                     | \$1.00                                   |
| April 22, 2021     | Warrant Exercise                    | 7,500                   | \$0.70                                   |

| Date of Issuance  | Transaction                                   | Number of Shares Issued | Purchase/Exercise/Deemed Price per Share |
|-------------------|---|-------------------------|--|
| April 19, 2021    | Warrant Exercise                              | 229,500                 | \$1.00                                   |
| April 6, 2021     | Warrant Exercise                              | 102,462                 | \$1.00                                   |
| April 1, 2021     | Acquisition <sup>(8)</sup>                    | 460,526                 | \$2.28                                   |
| March 22, 2021    | Acquisition <sup>(16)</sup>                   | 3,889,169               | \$2.16                                   |
| March 18, 2021    | Acquisition <sup>(2)</sup>                    | 568,182                 | \$0.88                                   |
| March 15, 2021    | Warrant Exercise                              | 17,300                  | \$1.00                                   |
| March 12, 2021    | Bought Deal Financing (Over-Allotment Option) | 3,060,000               | \$2.70                                   |
| March 11, 2021    | Warrant Exercise                              | 50,000                  | \$0.65                                   |
| March 11, 2021    | Warrant Exercise                              | 30,000                  | \$1.00                                   |
| March 9, 2021     | Bought Deal Financing                         | 18,500,000              | \$2.70                                   |
| March 8, 2021     | Warrant Exercise                              | 197,000                 | \$1.00                                   |
| March 5, 2021     | Warrant Exercise                              | 937                     | \$0.48                                   |
| March 5, 2021     | Warrant Exercise                              | 140,000                 | \$0.65                                   |
| March 5, 2021     | Warrant Exercise                              | 130,450                 | \$1.00                                   |
| March 3, 2021     | Warrant Exercise                              | 12,200                  | \$1.00                                   |
| March 2, 2021     | Warrant Exercise                              | 34,200                  | \$1.00                                   |
| February 25, 2021 | Option Exercise                               | 600,000                 | \$0.50                                   |
| February 23, 2021 | Option Exercise                               | 25,000                  | \$0.70                                   |
| February 23, 2021 | Warrant Exercise                              | 360,000                 | \$0.65                                   |
| February 19, 2021 | Warrant Exercise                              | 50,000                  | \$1.00                                   |
| February 18, 2021 | Warrant Exercise                              | 300,400                 | \$1.00                                   |
| February 17, 2021 | Warrant Exercise                              | 19,500                  | \$1.00                                   |
| February 16, 2021 | Warrant Exercise                              | 286,000                 | \$1.00                                   |
| February 12, 2021 | Option Exercise                               | 400,000                 | \$0.50                                   |
| February 12, 2021 | Option Exercise                               | 9,000                   | \$2.00                                   |
| February 12, 2021 | Option Exercise                               | 200,000                 | \$0.76                                   |
| February 12, 2021 | Warrant Exercise                              | 37,500                  | \$0.65                                   |
| February 12, 2021 | Warrant Exercise                              | 50,000                  | \$1.00                                   |
| February 11, 2021 | Warrant Exercise                              | 15,000                  | \$1.00                                   |
| February 9, 2021  | Warrant Exercise                              | 18,800                  | \$1.00                                   |
| February 8, 2021  | Acquisition <sup>(17)</sup>                   | 29,630                  | \$0.81                                   |
| February 8, 2021  | Option Exercise                               | 25,000                  | \$0.50                                   |
| February 8, 2021  | Compensation Shares <sup>(14)</sup>           | 699,301                 | \$0.715                                  |
| February 2, 2021  | Warrant Exercise                              | 112,962                 | \$1.00                                   |
| January 29, 2021  | Warrant Exercise                              | 25,000                  | \$0.65                                   |
| January 29, 2021  | Warrant Exercise                              | 68,200                  | \$1.00                                   |
| January 28, 2021  | Warrant Exercise                              | 18,200                  | \$1.00                                   |
| January 26, 2021  | Warrant Exercise                              | 200,000                 | \$0.65                                   |
| January 26, 2021  | Option Exercise                               | 25,000                  | \$0.50                                   |
| January 21, 2021  | Acquisition <sup>(4)</sup>                    | 574,468                 | \$2.47                                   |
| January 20, 2021  | Option Exercise                               | 250,000                 | \$0.70                                   |
| January 15, 2021  | Acquisition <sup>(3)</sup>                    | 857,143                 | \$2.625                                  |

| <b>Date of Issuance</b> | <b>Transaction</b>         | <b>Number of Shares Issued</b> | <b>Purchase/Exercise/Deemed Price per Share</b> |
|-------------------------|----------------------------|--------------------------------|---|
| January 12, 2021        | Option Exercise            | 12,500                         | \$0.65  |
| January 12, 2021        | Warrant Exercise           | 50,000                         | \$0.50  |
| January 12, 2021        | Warrant Exercise           | 25,000                         | \$1.00  |
| January 11, 2021        | Warrant Exercise           | 33,500                         | \$0.70  |
| January 11, 2021        | Acquisition <sup>(6)</sup> | 2,369,791                      | \$2.88  |
| December 24, 2020       | Warrant Exercise           | 35,800                         | 1.00  |
| December 24, 2020       | Warrant Exercise           | 15,000                         | \$0.65  |
| December 11, 2020       | Warrant Exercise           | 257,972                        | \$0.70  |
| December 9, 2020        | Warrant Exercise           | 45,000                         | \$0.70  |
| December 8, 2020        | Warrant Exercise           | 10,416                         | \$0.70  |
| December 4, 2020        | Warrant Exercise           | 571,774                        | \$1.00  |
| December 2, 2020        | Warrant Exercise           | 35,000                         | \$1.00  |
| November 26, 2020       | Warrant Exercise           | 11,206                         | \$1.38  |
| November 26, 2020       | Warrant Exercise           | 26,250                         | \$0.70  |
| November 26, 2020       | Option Exercise            | 62,500                         | \$0.50  |
| November 18, 2020       | Acquisition <sup>(2)</sup> | 3,977,272                      | \$0.88  |
| November 17, 2020       | Acquisition <sup>(5)</sup> | 2,795,031                      | \$1.61  |
| November 16, 2020       | Warrant Exercise           | 10,000                         | \$0.70  |
| November 16, 2020       | Warrant Exercise           | 122,820                        | \$0.40  |
| November 16, 2020       | Warrant Exercise           | 8,967                          | \$1.38  |
| November 16, 2020       | Warrant Exercise           | 150,000                        | \$1.00  |
| November 16, 2020       | Warrant Exercise           | 6,000                          | \$0.48  |
| November 9, 2020        | Warrant Exercise           | 100,000                        | \$1.38  |
| November 9, 2020        | Warrant Exercise           | 15,940                         | \$1.00  |
| November 9, 2020        | Bought Deal Financing      | 15,525,000                     | \$2.40  |
| November 6, 2020        | Warrant Exercise           | 238,000                        | \$1.00  |
| November 5, 2020        | Warrant Exercise           | 107,200                        | \$1.00  |
| November 4, 2020        | Warrant Exercise           | 100,000                        | \$1.38  |
| November 4, 2020        | Warrant Exercise           | 15,000                         | \$0.70  |
| November 4, 2020        | Warrant Exercise           | 125,000                        | \$0.65  |
| November 4, 2020        | Warrant Exercise           | 35,000                         | \$1.00  |
| November 3, 2020        | Warrant Exercise           | 50,000                         | \$0.70  |
| October 30, 2020        | Acquisition <sup>(7)</sup> | 2,835,445                      | \$0.70  |
| October 30, 2020        | Warrant Exercise           | 260,000                        | \$0.70  |
| October 30, 2020        | Warrant Exercise           | 42,300                         | \$1.00  |
| October 29, 2020        | Warrant Exercise           | 6,000                          | \$0.48  |
| October 29, 2020        | Warrant Exercise           | 119,900                        | \$1.00  |
| October 29, 2020        | Warrant Exercise           | 10,000                         | \$0.70  |
| October 28, 2020        | Warrant Exercise           | 62,500                         | \$0.50  |
| October 28, 2020        | Warrant Exercise           | 99,800                         | \$1.00  |
| October 28, 2020        | Warrant Exercise           | 25,000                         | \$0.70  |
| October 27, 2020        | Warrant Exercise           | 10,000                         | \$0.70  |

| <b>Date of Issuance</b> | <b>Transaction</b>    | <b>Number of Shares Issued</b> | <b>Purchase/Exercise/Deemed Price per Share</b> |
|-------------------------|-----------------------|--------------------------------|---|
| October 27, 2020        | Warrant Exercise      | 424,600                        | \$1.00  |
| October 26, 2020        | Warrant Exercise      | 52,000                         | \$0.70  |
| October 26, 2020        | Warrant Exercise      | 162,400                        | \$1.00  |
| October 25, 2020        | Option Exercise       | 12,500                         | \$0.50  |
| October 25, 2020        | Option Exercise       | 50,000                         | \$0.76  |
| October 25, 2020        | Warrant Exercise      | 197,771                        | \$1.00  |
| October 25, 2020        | Warrant Exercise      | 140,020                        | \$1.38  |
| October 25, 2020        | Warrant Exercise      | 221,000                        | \$0.65  |
| October 25, 2020        | Warrant Exercise      | 4,280                          | \$0.48  |
| October 23, 2020        | Warrant Exercise      | 30,000                         | \$0.70  |
| October 23, 2020        | Warrant Exercise      | 469,000                        | \$1.00  |
| October 22, 2020        | Warrant Exercise      | 76,000                         | \$0.70  |
| October 22, 2020        | Warrant Exercise      | 220,015                        | \$1.00  |
| October 21, 2020        | Option Exercise       | 150,000                        | \$1.00  |
| October 21, 2020        | Warrant Exercise      | 12,504                         | \$0.48  |
| October 21, 2020        | Warrant Exercise      | 6,250                          | \$0.50  |
| October 21, 2020        | Warrant Exercise      | 141,000                        | \$0.65  |
| October 19, 2020        | Warrant Exercise      | 56,000                         | \$0.65  |
| October 19, 2020        | Warrant Exercise      | 40,000                         | \$1.00  |
| October 19, 2020        | Warrant Exercise      | 3,036                          | \$0.48  |
| October 19, 2020        | Warrant Exercise      | 80,950                         | \$0.70  |
| October 16, 2020        | Warrant Exercise      | 150,000                        | \$0.76  |
| October 16, 2020        | Warrant Exercise      | 27,930                         | \$1.00  |
| October 16, 2020        | Warrant Exercise      | 5,000                          | \$0.70  |
| October 15, 2020        | Option Exercise       | 100,000                        | \$0.76  |
| October 15, 2020        | Warrant Exercise      | 45,000                         | \$0.70  |
| October 15, 2020        | Warrant Exercise      | 10,000                         | \$1.00  |
| October 13, 2020        | Warrant Exercise      | 270                            | \$1.00  |
| October 9, 2020         | Warrant Exercise      | 20,000                         | \$0.70  |
| October 2, 2020         | Warrant Exercise      | 9,900                          | \$0.65  |
| October 2, 2020         | Warrant Exercise      | 10,000                         | \$1.00  |
| October 2, 2020         | Warrant Exercise      | 100,000                        | \$0.70  |
| September 28, 2020      | Warrant Exercise      | 4,261                          | \$1.00  |
| September 28, 2020      | Warrant Exercise      | 198,750                        | \$0.65  |
| September 28, 2020      | Warrant Exercise      | 45,000                         | \$0.70  |
| September 24, 2020      | Warrant Exercise      | 3,000                          | \$0.48  |
| September 24, 2020      | Warrant Exercise      | 24,560                         | \$1.00  |
| September 22, 2020      | Warrant Exercise      | 3,000                          | \$0.48  |
| September 22, 2020      | Bought Deal Financing | 15,065,000                     | \$1.38  |
| September 21, 2020      | Option Exercise       | 50,000                         | \$0.76  |
| September 21, 2020      | Warrant Exercise      | 84,258                         | \$1.00  |
| September 21, 2020      | Warrant Exercise      | 34,000                         | \$0.65  |

| <b>Date of Issuance</b> | <b>Transaction</b> | <b>Number of Shares Issued</b> | <b>Purchase/Exercise/Deemed Price per Share</b> |
|-------------------------|--------------------|--------------------------------|---|
| September 21, 2020      | Warrant Exercise   | 35,416                         | \$0.70  |
| September 18, 2020      | Warrant Exercise   | 500,000                        | \$1.00  |
| September 17, 2020      | Warrant Exercise   | 15,000                         | \$0.65  |
| September 17, 2020      | Warrant Exercise   | 8,316                          | \$0.48  |
| September 17, 2020      | Warrant Exercise   | 141,625                        | \$0.70  |
| September 16, 2020      | Option Exercise    | 100,000                        | \$0.76  |
| September 16, 2020      | Warrant Exercise   | 228,255                        | \$0.48  |
| September 16, 2020      | Warrant Exercise   | 158,000                        | \$0.65  |
| September 16, 2020      | Warrant Exercise   | 58,177                         | \$1.00  |
| September 15, 2020      | Warrant Exercise   | 80,000                         | \$0.70  |
| September 15, 2020      | Warrant Exercise   | 119,500                        | \$1.00  |
| September 15, 2020      | Warrant Exercise   | 3,296                          | \$0.48  |
| September 15, 2020      | Warrant Exercise   | 17,500                         | \$0.65  |
| September 15, 2020      | Option Exercise    | 50,000                         | \$0.50  |
| September 14, 2020      | Warrant Exercise   | 225,000                        | \$0.65  |
| September 14, 2020      | Warrant Exercise   | 255,000                        | \$0.70  |
| September 14, 2020      | Warrant Exercise   | 25,400                         | \$1.00  |
| September 14, 2020      | Option Exercise    | 10,000                         | \$0.50  |
| September 11, 2020      | Warrant Exercise   | 122,831                        | \$1.00  |
| September 11, 2020      | Warrant Exercise   | 97,500                         | \$0.70  |
| September 10, 2020      | Warrant Exercise   | 20,000                         | \$0.70  |
| September 10, 2020      | Warrant Exercise   | 51,250                         | \$0.65  |
| September 9, 2020       | Warrant Exercise   | 104,200                        | \$0.70  |
| September 3, 2020       | Option Exercise    | 175,000                        | \$0.76  |
| September 3, 2020       | Warrant Exercise   | 19,200                         | \$1.00  |
| September 3, 2020       | Warrant Exercise   | 63,350                         | \$0.65  |
| September 3, 2020       | Warrant Exercise   | 119,573                        | \$0.70  |
| September 3, 2020       | Warrant Exercise   | 19,165                         | \$0.48  |
| September 2, 2020       | Warrant Exercise   | 207,600                        | \$1.00  |
| September 2, 2020       | Warrant Exercise   | 35,000                         | \$0.65  |
| September 2, 2020       | Warrant Exercise   | 12,000                         | \$0.48  |
| September 2, 2020       | Option Exercise    | 50,000                         | \$0.50  |
| September 1, 2020       | Option Exercise    | 200,000                        | \$0.76  |
| September 1, 2020       | Warrant Exercise   | 29,325                         | \$1.00  |
| August 31, 2020         | Warrant Exercise   | 41,500                         | \$1.00  |
| August 28, 2020         | Option Exercise    | 100,000                        | \$0.76  |
| August 28, 2020         | Warrant Exercise   | 15,000                         | \$1.00  |
| August 28, 2020         | Warrant Exercise   | 6,300                          | \$0.48  |
| August 27, 2020         | Warrant Exercise   | 68,550                         | \$0.70  |
| August 27, 2020         | Warrant Exercise   | 13,516                         | \$0.48  |
| August 27, 2020         | Warrant Exercise   | 49,500                         | \$0.65  |
| August 26, 2020         | Option Exercise    | 100,000                        | \$0.76  |

| Date of Issuance   | Transaction                         | Number of Shares Issued | Purchase/Exercise/Deemed Price per Share |
|--------------------|-------------------------------------|-------------------------|--|
| August 25, 2020    | Warrant Exercise                    | 172,900                 | \$0.70                                   |
| August 25, 2020    | Warrant Exercise                    | 125,000                 | \$0.65                                   |
| August 25, 2020    | Option Exercise                     | 25,000                  | \$0.76                                   |
| August 18, 2020    | Warrant Exercise                    | 44,745                  | \$0.48                                   |
| August 18, 2020    | Option Exercise                     | 25,000                  | \$0.50                                   |
| August 14, 2020    | Warrant Exercise                    | 2,405                   | \$0.48                                   |
| August 12, 2020    | Warrant Exercise                    | 71,050                  | \$0.70                                   |
| August 6, 2020     | Warrant Exercise                    | 58,125                  | \$0.48                                   |
| July 31, 2020      | Acquisition <sup>(4)</sup>          | 628,100                 | \$0.605                                  |
| June 2, 2020       | Bought Deal Financing               | 21,357,800              | \$0.70 <sup>(18)</sup>                   |
| May 21, 2020       | Compensation Shares <sup>(19)</sup> | 150,000                 | \$0.75                                   |
| May 11, 2020       | Option Exercise                     | 150,000                 | \$0.40                                   |
| May 8, 2020        | Option Exercise                     | 300,000                 | \$0.40                                   |
| May 5, 2020        | Warrant Exercise                    | 37,500                  | \$0.65                                   |
| May 4, 2020        | Warrant Exercise                    | 85,750                  | \$0.65                                   |
| March 30, 2020     | Private Placement Financing         | 1,479,054               | \$0.48 <sup>(20)</sup>                   |
| March 20, 2020     | Private Placement Financing         | 5,113,596               | \$0.48 <sup>(21)</sup>                   |
| February 4, 2020   | Compensation Shares <sup>(22)</sup> | 750,000                 | \$0.40                                   |
| January 31, 2020   | Shares for Debt                     | 1,500,000               | \$0.40                                   |
| January 10, 2020   | Acquisition <sup>(23)</sup>         | 1,425,041               | \$0.40                                   |
| November 19, 2019  | Compensation Shares <sup>(24)</sup> | 510,000                 | \$0.35                                   |
| September 30, 2019 | Private Placement Financing         | 5,250,000               | \$0.40 <sup>(25)</sup>                   |
| July 17, 2019      | Acquisition <sup>(26)</sup>         | 3,432,384               | \$0.7269                                 |
| May 17, 2019       | Private Placement Financing         | 684,553                 | \$0.65 <sup>(27)</sup>                   |
| May 16, 2019       | Settlement of Claim <sup>(28)</sup> | 400,000                 | N/A                                      |
| September 31, 2023 | RSU Vesting                         | 250,000                 | N/A                                      |

**Notes:**

- (1) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of Oncidium Inc.
- (2) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of Re:Function Health Group Inc.
- (3) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of Medical Confidence Inc.
- (4) Issued in connection with CloudMD's acquisition of the assets of Canadian Medical Directory.
- (5) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of iMD Health Global Corp.
- (6) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of HumanaCare Organizational Resources Inc.
- (7) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of Snapclarity Inc.
- (8) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of Aspira Corp.
- (9) Issued to Dr. David Ostrow, the Company's former Chief Medical Officer, as compensation for mentoring and advisory services.
- (10) Issued in connection with CloudMD's acquisition of all of the issued outstanding securities of MindBeacon Holdings Inc.
- (11) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of South Surrey Medical Clinic Inc.
- (12) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of VisionPros. This figure reflects a settlement agreement with the sellers of VisionPros whereby 6,000,001 previously issued Shares were cancelled and returned to treasury June 30, 2022.
- (13) Issued to an arm's-length party in connection with CloudMD's acquisition of all of the issued and outstanding securities of VisionPros.
- (14) Issued to Dr. Sohal Goyal, then Head of Corporate Development, Ontario, as consideration for services rendered pursuant to the terms of a contractor services agreement.
- (15) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of Rx Infinity Inc., Rxi Pharmacy Inc., and Rxi Health Solutions Inc.
- (16) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of Tetra Ventures L.L.C.
- (17) Issued in connection with CloudMD's acquisition of 51% of the outstanding securities of West Mississauga Medical Ltd., net of 44,444 Shares which were subsequently cancelled and returned to treasury July 25, 2022.
- (18) Price per unit issued by the Company under the bought deal prospectus offering, with each unit being comprised of one common share and one-half of one common share purchase warrant, each such warrant exercisable until June 2, 2022 at an exercise price of \$1.00.

- (19) Issued to Mark Kohler as consideration for advisory services provided to the Company.
- (20) Price per unit issued by the Company under the private placement financing, with each unit being comprised of one common share and one-half of one common share purchase warrant, each such warrant exercisable until March 30, 2022 at an exercise price of \$0.70.
- (21) Price per unit issued by the Company under the private placement financing, with each unit being comprised of one common share and one-half of one common share purchase warrant, each such warrant exercisable until March 20, 2022 at an exercise price of \$0.70.
- (22) Issued to two consultants as consideration for services provided to the Company.
- (23) Issued in connection with CloudMD's acquisition of all of the issued and outstanding securities of Livecare Health Canada Inc., net of 1,574,959 Shares which were subsequently cancelled and returned to treasury April 17, 2020.
- (24) Issued to MESMI Marketing Inc. and Dr. David Ostrow as compensation for services provided to the Company.
- (25) Price per unit issued by the Company under the private placement financing, with each unit being comprised of one common share and one-half of one common share purchase warrant, each such warrant exercisable until September 30, 2021 at an exercise price of \$0.65.
- (26) Issued in connection with CloudMD's acquisition of two pharmacies in Metro Vancouver.
- (27) Price per unit issued by the Company under the private placement financing, with each unit being comprised of one common share and one-half of one common share purchase warrant, each such warrant exercisable until May 16, 2021 at an exercise price of \$1.00.
- (28) Issued to Brenda Rasmussen, a former director and CEO of the Company, who resigned as a director on May 16, 2019.

## **Financial Statements**

Financial information provided in the Company's comparative annual financial statements and the Company's management discussion and analysis for the year ended December 31, 2023 is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). You can obtain additional documents related to the Company without charge on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). You can also obtain documents related to the Company without charge by visiting the Company's website at [www.cloudmd.ca](http://www.cloudmd.ca).

## **Dividend Policy**

The Company has no fixed dividend policy and has not declared or paid any dividends to date on the Shares. Subject to corporate law, the actual timing, payment and amount of any dividends declared and paid by the Company will be determined by and at the sole discretion of the Board from time to time based upon, among other factors, the Company's cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and exploration and such other considerations as the Board in its discretion may consider or deem relevant.

The Company intends to retain all future earnings, if any, and other cash resources for the future operation and development of its business, and accordingly, does not intend to declare or pay any cash dividends in the foreseeable future.

## **INFORMATION REGARDING THE PURCHASER**

The information regarding the Purchaser and the Guarantors contained in this Circular has been provided by the Purchaser. Although CloudMD has no knowledge that would indicate that any statements contained herein taken from or based upon such information provided by the Purchaser expressly for inclusion herein are untrue or incomplete, CloudMD does not assume any responsibility for the accuracy or completeness of the information taken from or based upon such information.

The Purchaser is 1480775 B.C. Ltd., a corporation incorporated under the laws of British Columbia, formed for the purpose of acquiring CloudMD and consummating the transactions contemplated by the Arrangement Agreement.

The Guarantors are CPS Partners Fund LP and CPS Partners Fund V LP, both limited partnerships existing under the laws of Ontario. CPS Capital LP, the investment manager, is a private equity investment firm based in Toronto, Ontario founded in 2013 that specializes in investing in lower middle market businesses. CPS Capital LP takes a direct role working alongside management team partners drawing on their own entrepreneurial experience to assist in the realization of strategic and growth objectives. CPS Capital LP has six active platform investments with more than \$250 million in committed capital under management.

## **RIGHTS OF DISSENTING SHAREHOLDERS**

The following is a summary of the provisions of the BCBCA relating to a Shareholder's dissent and appraisal rights in respect of the Arrangement Resolution. Such summary is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its Shares. This summary is qualified in

its entirety by reference to the full text of Sections 237 to 247 of the BCBCA, which is attached as Appendix F to this Circular, as modified by the Plan of Arrangement (which is attached at Appendix B to the Circular) and the Interim Order (which is attached at Appendix D to this Circular). The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

**The statutory provisions dealing with the right of dissent are technical and complex. Any Shareholder seeking to exercise his, her, their or its Dissent Rights should seek independent legal advice, as failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of any right of dissent.**

Pursuant to the Interim Order, each Registered Shareholder as at the close of business on the Record Date may exercise Dissent Rights in respect of the Arrangement under Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement and the Interim Order. Registered Shareholders who duly and validly exercise such Dissent Rights and who:

- (a) are ultimately entitled to be paid fair value for their Dissent Shares will be deemed to have transferred their Dissent Shares to the Purchaser as of the Effective Time, without any further act or formality and free and clear of all Liens, and shall be paid an amount equal to such fair value and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holder not exercised their Dissent Rights in respect of such Dissent Shares; or
- (b) for any reason are ultimately not entitled to be paid fair value for their Dissent Shares, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and will receive the Consideration on the same basis as every other non-dissenting Shareholder,

but in no circumstances will the Company, the Purchaser, the Depositary or any other person be required to recognize such persons as a registered or beneficial holder of Shares or any interest therein on or after the Effective Date, and the names of such Dissenting Shareholders will be removed from the register of Shareholders to reflect that such former Shareholder is no longer the holder of such Shares as of the Effective Time. Further, in no circumstance will the Company, the Purchaser, the Depositary or any other person be required to recognize a person exercising Dissent Rights unless such person is a registered holder of those Shares in respect of which such rights are sought to be exercised. For greater certainty, no Securityholders who vote, or who have instructed a proxyholder to vote, in favour of the Arrangement Resolution shall be entitled to exercise Dissent Rights.

Persons who are Non-Registered Shareholders who wish to dissent with respect to their Shares should be aware that only Registered Shareholders as at the close of business on the Record Date are entitled to dissent with respect to their Shares. A Registered Shareholder such as an Intermediary who holds Shares as nominee for Non-Registered Shareholders, some of whom wish to dissent, must exercise Dissent Rights on behalf of such Non-Registered Shareholders with respect to the Shares held for such Non-Registered Shareholders. In such case, the Notice of Dissent (as defined below) should set forth the number of Shares it covers. Optionholders are not entitled to exercise rights of dissent.

Pursuant to Sections 237 to 247 of the BCBCA, every Registered Shareholder who duly and validly dissents from the Arrangement Resolution in strict compliance with Section 237 to 247 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement, will be entitled to be paid the fair value of the Shares held by such Dissenting Shareholder determined as at the point in time immediately before the passing of the Arrangement Resolution.

To exercise Dissent Rights, a Registered Shareholder as at the close of business on the Record Date must dissent with respect to all Shares in which the holder owns either a registered or beneficial interest. A Registered Shareholder who wishes to dissent must deliver written notice of dissent (a "**Notice of Dissent**") to the Company, c/o Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, ON M5H 0B4, Attention: Lindsay Clements, by 5:00 p.m. (Vancouver time) on or before June 25, 2024 (or by 5:00 p.m. (Vancouver time) on the Business Day that is two Business Days immediately preceding the Meeting if it is not held on June 25, 2024), and such Notice of Dissent must strictly comply with the requirements of Section 242 of the BCBCA. Any failure by a Shareholder to fully comply may result in the loss of that holder's Dissent Rights. Non-Registered

Shareholders who wish to exercise Dissent Rights must arrange for the Registered Shareholder holding their Shares to deliver the Notice of Dissent.

The delivery of a Notice of Dissent does not deprive a Dissenting Shareholder of the right to vote at the Meeting on the Arrangement Resolution; however, a Dissenting Shareholder is not entitled to exercise the Dissent Rights with respect to any of his or her Shares if the Dissenting Shareholder votes in favour of the Arrangement Resolution. A vote against the Arrangement Resolution, whether in person (virtually) or by proxy, does not constitute a Notice of Dissent.

A Registered Shareholder that wishes to exercise Dissent Rights must prepare a separate Notice of Dissent for himself, herself, himself or itself if dissenting on his, her, their or its own behalf, and for each other person who beneficially owns Shares registered in the Dissenting Shareholder's name and on whose behalf the Dissenting Shareholder is dissenting, and must dissent with respect to all of the Shares registered in his, her, their or its name beneficially owned by the Non-Registered Shareholder on whose behalf he or she is dissenting. The Notice of Dissent must set out the number of Shares in respect of which the Notice of Dissent is to be sent (the "**Notice Shares**") and:

- (a) if such Notice Shares constitute all of the Shares of which the holder is the registered and beneficial owner and the holder owns no other Shares beneficially, a statement to that effect;
- (b) if such Notice Shares constitute all of the Shares of which the holder is both the registered and beneficial owner, but the holder owns additional Shares beneficially, a statement to that effect and the names of the registered holders of Shares, the number of Shares held by each such holder and a statement that written notices of dissent are being or have been sent with respect to such other Shares; or
- (c) if the Dissent Rights are being exercised by a holder of Shares on behalf of a beneficial owner of Shares who is not the Dissenting Shareholder, a statement to that effect and the name and address of the beneficial holder of the Shares and a statement that the registered holder is dissenting with respect to all Shares of the beneficial holder registered in such registered holder's name.

It is a condition to the Purchaser's obligation to complete the Arrangement that persons holding no more than 5% of the issued and outstanding Shares shall have validly exercised Dissent Rights (and not withdrawn such exercise). Each of the Supporting Securityholders has agreed to waive their Dissent Rights as a Shareholder.

If the Arrangement Resolution is approved by Securityholders and if the Company notifies the Dissenting Shareholder of the Company's intention to act upon the Arrangement Resolution, the Dissenting Shareholder, if they wish to proceed with the dissent, is required, within one month after the Company gives such notice, to send to the Company the certificates (if any) representing the Notice Shares and a written statement that requires the Company to purchase all of the Notice Shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by a Registered Shareholder on behalf of a Non-Registered Shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Shareholder becomes a Dissenting Shareholder, and is bound to sell, and The Purchaser is bound to purchase, those Shares. Such Dissenting Shareholder may not vote or exercise or assert any rights of a Shareholder in respect of such Notice Shares, other than the rights set forth in Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement and Interim Order.

The Dissenting Shareholder and the Company may agree on the payout value of the Notice Shares; otherwise, either party may apply to the Court to determine the fair value of the Notice Shares. There is no obligation on the Company or the Purchaser to make an application to the Court. After a determination of the payout value of the Notice Shares, the Purchaser must then promptly pay that amount to the Dissenting Shareholder. There can be no assurance that the amount a Dissenting Shareholder may receive as fair value for its Shares will be more than or equal to the Consideration under the Arrangement. It should be noted that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a transaction such as the Arrangement is not an opinion as to fair value under the BCBCA.

In no circumstances will the Company, the Purchaser, the Depositary or any other person be required to recognize a person as a Dissenting Shareholder unless such person is the holder of the Shares in respect of which Dissent Rights are purported to be exercised immediately prior to the Effective Time of the Arrangement; (i) if such person has voted

or instructed a proxyholder to vote the Notice Shares in favour of the Arrangement Resolution; and (ii) unless such person has strictly complied with the procedures for exercising Dissent Rights set out in Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement and Interim Order, and does not withdraw such person's Notice of Dissent prior to the Effective Time.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Shareholder if, before full payment is made for the Notice Shares, the Arrangement in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, the Arrangement Resolution does not pass, a court permanently enjoins or sets aside the corporate action approved by the Arrangement Resolution, the Dissenting Shareholder votes in favour of the Arrangement Resolution, or the Dissenting Shareholder withdraws the Notice of Dissent with the Company's written consent. If any of these events occur, the Company must return the share certificates representing the Shares to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise its rights as a Shareholder.

If a Dissenting Shareholder fails to strictly comply with the requirements of the Dissent Rights set out in the Interim Order, it will lose its Dissent Rights, the Company will return to the Dissenting Shareholder the certificates representing the Notice Shares that were delivered to the Company, if any, and if the Arrangement is completed, that Dissenting Shareholder will be deemed to have participated in the Arrangement on the same terms as a Shareholder.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement and Interim Order. Persons who are beneficial holders of Shares registered in the name of an Intermediary such as a broker, custodian, nominee, other Intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such Shares is entitled to dissent. Optionholders and holders of RSUs and DSUs are not entitled to exercise Dissent Rights.

The Company suggests that any Shareholder wishing to avail themselves of the Dissent Rights seek their own legal advice as failure to strictly comply with the requirements set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of any right of dissent. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process. For a general summary of certain income tax implications to a Dissenting Shareholder, see "*Certain Canadian Federal Income Tax Considerations*".

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a Shareholder who disposes of Shares under the Arrangement, is the beneficial owner of such Shares, and who, for purposes of the Tax Act, and at all relevant times (i) holds all Shares as capital property, (ii) deals at arm's length with CloudMD and the Purchaser, and (iii) is not affiliated with CloudMD or the Purchaser (a "**Holder**").

Shares will generally be considered to be capital property to a Holder unless such securities are held by the Holder in the course of carrying on a business of buying and selling securities, or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force as of the date hereof, the published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") made available publicly prior to the date hereof and all specific proposals to amend the Tax Act and the Regulations which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes all such Proposed Amendments will be enacted in their present form. No assurances can be given that the Proposed Amendments will be enacted as proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by judicial, governmental or legislative action or decision, or changes in the administrative policies and assessing practices of the CRA, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is not applicable to a Holder (i) that is a “financial institution” for the purposes of the “mark-to-market property” rules as defined in the Tax Act, (ii) that is a “specified financial institution” or “restricted financial institution” both as defined in the Tax Act, (iii) an interest in which is a “tax shelter investment” as defined in the Tax Act, (iv) that has made an election to report its Canadian tax results in a currency other than the Canadian currency, (v) that has entered or will enter into, with respect to Shares, a “derivative forward agreement” or a “synthetic disposition arrangement”, (vi) that (i) is a corporation resident in Canada and (ii) is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Shares, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm’s length, for the purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act, (vii) that is a “foreign affiliate” as defined in the Tax Act of a taxpayer resident in Canada or (viii) that has acquired Shares on the exercise of a stock option or pursuant to any other equity-based employment compensation plan. Such Holders should consult their own tax advisors as to the tax consequences of the Arrangement.

**This summary does not address the Canadian federal income tax considerations applicable to holders of Options, RSUs or DSUs. Such holders should consult their own tax advisors as to the tax consequences of the Arrangement applicable to them.**

**THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER AND NO REPRESENTATIONS WITH RESPECT TO THE TAX CONSEQUENCES TO ANY PARTICULAR HOLDER ARE MADE. THIS SUMMARY IS NOT EXHAUSTIVE OF ALL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.**

#### **Holders Resident in Canada**

The following portion of the summary is generally applicable to a Holder who is resident in Canada, or is deemed to be resident in Canada, for purposes of the Tax Act (a “**Resident Holder**”) at all relevant times.

Certain Resident Holders whose Shares might not otherwise be considered capital property may, in certain circumstances, make an irrevocable election in accordance with Subsection 39(4) of the Tax Act to have the Shares and all other “Canadian securities” (as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property. **Resident Holders contemplating making a subsection 39(4) election should consult their own tax advisors for advice as to whether the election is available or advisable in their particular circumstances.**

#### *Disposition of Shares*

A Resident Holder that disposes of Shares, pursuant to the Arrangement, will realize a capital gain (or a capital loss) equal to the amount by which the Consideration received by the Resident Holder in respect of the Shares exceeds (or is exceeded by) the aggregate of the adjusted cost base to the Resident Holder of such Shares, determined immediately before the disposition, and any reasonable costs of disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

#### *Taxation of Capital Gains and Capital Losses*

Subject to the Proposed Amendments contained in the 2024 Federal Budget released on April 16, 2024 (the “**Budget 2024 Tax Proposals**”), generally, a Resident Holder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by it in that year. Subject to and in accordance with the provisions in the Tax Act and the Proposed Amendments in Budget 2024 Tax Proposals, a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Pursuant to the Budget 2024 Tax Proposals if enacted, subject to certain transitional rules, the portion of a capital gain or capital loss included in the taxable capital gain or allowable capital loss will be increased from one-half to two-thirds in respect of (i) dispositions realized by a Resident Holder that is an individual (excluding a trust) on or after June 25,

2024, for the portion of capital gains realized in the year that exceed \$250,000, and (ii) dispositions realized by a Resident Holder that is a corporation or trust on or after June 25, 2024. Allowable capital losses in excess of taxable capital gains for a taxation year may (subject to appropriate adjustment to the inclusion rate pursuant to the Budget 2024 Tax Proposals) be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to the detailed rules contained in the Tax Act. **The Budget 2024 Proposals do not include comprehensive rules (including draft legislation) implementing these changes and state that additional details related to the change of the capital gains inclusion rate are forthcoming. Resident Holders are advised to consult their personal tax advisors with regard to the Budget 2024 Tax Proposals.**

A capital loss realized on the disposition of a Share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of dividends received or deemed to have been received by the corporation on such shares (or on a share for which such share is substituted or exchanged). Similar rules may apply where shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own advisors.

A Resident Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) throughout a taxation year or that is a “substantive CCPC” (as defined in Bill C-59, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023) at any time in the year may be required to pay an additional refundable tax on its “aggregate investment income” (as defined in the Tax Act), which includes taxable capital gains.

#### *Alternative Minimum Tax*

A capital gain realized by a Resident Holder who is an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Tax Act. Proposed Amendments released on August 4, 2023 propose to make significant amendments to the alternative minimum tax for taxation years beginning after December 31, 2023, and further Proposed Amendments in respect of the alternative minimum tax have been proposed in the Budget 2024 Tax Proposals. Resident Holders should consult their own tax advisors for advice respecting the application of the alternative minimum tax rules in their particular circumstances.

#### *Dissenting Resident Holders*

A Resident Holder that validly exercises Dissent Rights (a “**Resident Dissenter**”) will be deemed to have transferred their Shares to Purchaser and will be entitled to receive a payment from Purchaser of an amount equal to the fair value of their Shares.

A Resident Dissenter will be considered to have disposed of their Shares for proceeds of disposition equal to the amount of the payment received on account of the fair value of their Shares (excluding, for greater certainty, any amount that is in respect of interest awarded by a court). The Resident Dissenter will generally realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the aggregate of the Resident Dissenter’s adjusted cost base of their Shares determined immediately before the time of disposition. Any such capital gain or capital loss realized by a Resident Dissenter will be treated in the same manner as described above under the heading “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

Interest (if any) awarded by a court to a Resident Dissenter will be included in the Resident Dissenter’s income for the purposes of the Tax Act. A Resident Dissenter that is throughout its taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) or that is a “substantive CCPC” ((as defined in Bill C-59, An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023) at any time in the year may be liable for a refundable tax on its “aggregate investment income”, including on any aforementioned capital gains and on such interest income. Resident Dissenters should consult their own tax advisors.

## **Holders Not Resident in Canada**

This portion of the summary applies to a Holder who, at all relevant times, for the purposes of the Tax Act, is not, and is not deemed to be, resident in Canada for the purposes of the Tax Act and does not use or hold, and is not deemed to use or hold, Shares in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). This portion of the summary is not applicable to a Non-Resident Holder that is: (i) an insurer carrying on an insurance business in Canada and elsewhere; (ii) a “financial institution” (as defined in the Tax Act); or (iii) an “authorized foreign bank” (as defined in the Tax Act).

### **Disposition of Shares**

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of Shares under the Arrangement unless: (i) the Shares are “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition; and (ii) the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, Shares will not be “taxable Canadian property” to a Non-Resident Holder at the time of disposition under the Arrangement provided that the Shares are listed on a designated stock exchange (which currently includes the TSXV) at that time, unless at any time during the 60-month period that ends at that time: (a) one or any combination of the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm’s length, a partnership in which the Non-Resident Holder or a non-arm’s length person holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class of the capital stock of CloudMD; and (b) more than 50% of the fair market value of the Shares was derived, directly or indirectly, from one or any combination of real or immovable property situated in Canada, a “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such property (whether or not such property exists).

Notwithstanding the above, a Share may be deemed under the Tax Act to be “taxable Canadian property” of a particular Non-Resident Holder where the Non-Resident Holder acquired or held the share in certain circumstances, including acquiring the Share in consideration of the disposition of other “taxable Canadian property”. Non-Resident Holders for whom a Share may be “taxable Canadian property” should consult their own tax advisors.

Even if the Shares are “taxable Canadian property” of a Non-Resident Holder, such Non-Resident Holder may be exempt from Canadian tax on any capital gain realized on the disposition of such Shares by virtue of an applicable income tax treaty or convention. Non-Resident Holders whose Shares constitute “taxable Canadian property” should consult their own tax advisors in this regard.

If the Shares constitute “taxable Canadian property” of a Non-Resident Holder and such Non-Resident Holder is not eligible for relief pursuant to an applicable income tax treaty or convention, then the disposition of the Non-Resident Holder’s Shares pursuant to the Arrangement will generally be subject to the same Canadian tax consequences applicable to a Resident Holder with respect to the disposition of such Resident Holder’s Shares, as discussed above under “*Holders Resident in Canada – Disposition of Shares*”.

**Non-Resident Holders who dispose of Shares that are or are deemed to be “taxable Canadian property” (as defined in the Tax Act) should consult their own tax advisors concerning the Canadian income tax consequences of the disposition and the potential requirement to file a Canadian income tax return depending on their particular circumstances.**

### *Dissenting Non-Resident Holders*

A Non-Resident Holder that validly exercises Dissent Rights (a “**Non-Resident Dissenter**”) will be deemed to have transferred their Shares to Purchaser and will be entitled to receive a payment from Purchaser of an amount equal to the fair value of their Shares.

A Non-Resident Dissenter will be considered to have disposed of their Shares for proceeds of disposition equal to the amount paid to such Non-Resident Dissenter on account of the fair value of their Shares (excluding any portion of the payment that is interest awarded by a court). The Non-Resident Dissenter will generally realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Non-Resident Dissenter of their Shares immediately before their transfer pursuant to the Arrangement. As discussed above under “*Holdings Not Resident in Canada – Disposition of Shares*”, a Non-Resident Dissenter will generally not be subject to tax under the Tax Act on any capital gain realized on the disposition of their Shares unless such shares are “taxable Canadian property” of the Non-Resident Dissenter and are not “treaty-protected property”, each within the meaning of the Tax Act. If the Shares constitute taxable Canadian property of a Non-Resident Dissenter and any capital gain realized by the Non-Resident Dissenter on the disposition of their Shares is not exempt from tax under the Tax Act under an applicable income tax treaty or convention, any such capital gain will generally be subject to Canadian tax in the same manner as described above under the heading “*Holdings Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

Interest (if any) awarded by a court to a Dissenting Non-Resident Holder generally should not be subject to withholding tax under the Tax Act, unless such interest is considered “participating debt interest” as defined in the Tax Act.

Non-Resident Holders that are considering exercising Dissent Rights should consult their tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

## **INDEBTEDNESS OF OFFICERS AND DIRECTORS OF CLOUDMD**

No director, executive officer, or employee of CloudMD or any of its subsidiaries, former director, executive officer, or employee of CloudMD or any of its subsidiaries, or any associate of any of the foregoing, (i) has been or is indebted to CloudMD or any of its subsidiaries, at any time during its last completed fiscal year, or (ii) has had any indebtedness to another entity at any time during its last completed fiscal year which has been the subject of a guarantee, support agreement, letter of credit, or other similar arrangement provided by CloudMD or any of its subsidiaries.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as disclosed herein, no director or executive officer of CloudMD who has held such position at any time since January 1, 2023, and no associate or affiliate of any such person, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

See “*The Arrangement – Interests of Certain Directors and Executive Officers in the Arrangement*”.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed in this Circular, to the knowledge of CloudMD, after reasonable enquiry, no informed person of CloudMD, or any associate or affiliate of any informed person, has or had any material interest, direct or indirect, in any transaction since the commencement of CloudMD’s most recently completed fiscal year or in any proposed transaction which has materially affected or would materially affect CloudMD.

## **MANAGEMENT CONTRACTS**

No management functions of the Company or any subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional financial information is provided in the Company’s comparative financial statements and management’s discussion and analysis for the financial year ended December 31, 2023, which can be found on

SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Company's website at [www.cloudmd.ca](http://www.cloudmd.ca). Securityholders may also request these documents from the Company by phone at 647.484.1405 or by e-mail at [investors@cloudmd.ca](mailto:investors@cloudmd.ca).

### **OTHER MATTERS**

Management of CloudMD is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

### **DIRECTORS' APPROVAL**

The contents and the sending of the Notice of Meeting and this Circular have been approved by the Board of Directors of the Company.

DATED: May 29, 2024

ON BEHALF OF THE BOARD OF DIRECTORS OF  
CLOUDMD SOFTWARE & SERVICES INC.

*"Graeme McPhail"*

\_\_\_\_\_  
Graeme McPhail

Chair of the Board of Directors

## **CONSENT OF INFOR FINANCIAL INC.**

DATED: May 29, 2024

To the Special Committee of the Board of Directors of CloudMD Software & Services Inc.

We refer to the fairness opinion dated May 13, 2024, which we prepared for the Special Committee of the board of directors of CloudMD Software & Services Inc. in connection with the Arrangement involving the acquisition by 1480775 B.C. Ltd. of all of the outstanding common shares of CloudMD Software & Services Inc.

We hereby consent to the filing of our fairness opinion with the securities regulatory authorities, and to the references in this Circular dated May 29, 2024 to our firm name and to our fairness opinion dated May 13, 2024 contained in this Circular and the inclusion of the fairness opinion dated May 13, 2024 as Appendix C to this Circular.

Our fairness opinion was given as at May 13, 2024 and remains subject to the assumptions qualifications and limitations contained therein.

(Signed) “*INFOR Financial Inc.*”

**APPENDIX A**  
**ARRANGEMENT RESOLUTION**

**BE IT RESOLVED THAT:**

1. The arrangement (the “**Arrangement**”) under Section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) of CloudMD Software & Services Inc. (the “**Corporation**”), pursuant to the arrangement agreement (the “**Arrangement Agreement**”) between the Corporation and 1480775 B.C. Ltd. dated May 14, 2024, all as more particularly described and set forth in the management information circular of the Corporation dated May 29, 2024 (the “**Circular**”), accompany the notice of this meeting (as the Arrangement may be modified or amended in accordance with its terms) is hereby authorized, approved and adopted.
2. The plan of arrangement of the Corporation (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement and its terms (the “**Plan of Arrangement**”), the full text of which is set out in Appendix B to the Circular, is hereby authorized, approved and adopted.
3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Corporation in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.
4. The Corporation be and is hereby authorized to apply for a final order from the Supreme Court of British Columbia (the “**Court**”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented and as described in the Circular).
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Securityholders of the Corporation or that the Arrangement has been approved by the Court, the directors of the Corporation are hereby authorized and empowered to, at their discretion, without notice to or approval of the securityholders of the Corporation: (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and/or the Plan of Arrangement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.
6. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**APPENDIX B**  
**PLAN OF ARRANGEMENT**  
**PLAN OF ARRANGEMENT**  
**UNDER DIVISION 5 OF PART 9 OF THE**  
***BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)***

**ARTICLE 1**  
**INTERPRETATION**

**Section 1.1 Definitions**

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

“**Amalco**” means CloudMD Software & Services Inc., the amalgamated corporation under the BCBCA resulting from the amalgamation of the Corporation and the Purchaser pursuant to 0.

“**Arrangement**” means the arrangement under Section 288 of the BCBCA in accordance with the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations to this Plan of Arrangement made in accordance with the terms of the Arrangement Agreement and 0, in accordance with the terms of the Interim Order (once issued), or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

“**Arrangement Agreement**” means the arrangement agreement dated May 14, 2024 between the Purchaser and the Corporation (including the schedules thereto), as it may be amended, modified or supplemented from time to time in accordance with its terms.

“**Arrangement Resolution**” means the special resolution approving this Plan of Arrangement to be considered at the Meeting, substantially in the form of Schedule B to the Arrangement Agreement.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time.

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

“**Circular**” means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto and information incorporated by reference into such management information circular, to be sent to the Voting Securityholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

“**Consideration**” means \$0.04 in cash per Share to be paid to Shareholders, without interest.

“**Corporation**” means CloudMD Software & Services Inc.

“**Court**” means the Supreme Court of British Columbia.

“**Depository**” means Endeavor Trust Corporation in its capacity as depository for the Arrangement, or such other Person as the Corporation and the Purchaser agree to engage as depository for the Arrangement.

“**Dissent Rights**” has the meaning specified in 0.

**“Dissenting Holder”** means a registered Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Shares in respect of which Dissent Rights are validly exercised by such holder.

**“DSUs”** means any outstanding deferred share units issued pursuant to the Incentive Plan or otherwise.

**“Effective Date”** means the date designated by the Corporation and the Purchaser by notice in writing as the effective date of the Arrangement, after all of the conditions of the Arrangement Agreement and the Final Order have been satisfied or waived.

**“Effective Time”** means 12:01 a.m. (Pacific time) on the Effective Date, or such other time as the Parties agree upon in writing before the Effective Date.

**“Final Order”** means the final order of the Court under Section 291 of the BCBCA in a form acceptable to the Corporation and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Corporation and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Corporation and the Purchaser, each acting reasonably) on appeal.

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

**“Incentive Plan”** means the omnibus equity incentive plan of the Corporation dated effective December 15, 2022, as the same may be amended, restated or supplemented from time to time.

**“Interim Order”** means the interim order of the Court under Section 291 of the BCBCA in a form acceptable to the Corporation and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the Corporation and the Purchaser, each acting reasonably.

**“Law”** means, with respect to any Person, any and all applicable national, federal, provincial, state, municipal or local law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, act, statute, code, rule, regulation, order, injunction, judgment, decree, ruling, award, writ, or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, all policies, guidelines, notices and protocols of any Governmental Entity, as amended.

**“Letter of Transmittal”** means the letter of transmittal sent to holders of Shares for use in connection with the Arrangement.

**“Lien”** means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachment, option, right of first refusal or first offer, license, occupancy right, restrictive covenant, assignment, lien (statutory or otherwise), license, defect of title or encumbrance of any kind.

**“Meeting”** means the special meeting of Voting Securityholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

“**Option Agreement**” means an agreement evidencing the terms of any Option.

“**Optionholders**” means holders of Options.

“**Options**” means any outstanding options to purchase Shares issued pursuant to the Incentive Plan or otherwise.

“**Parties**” means the Corporation and the Purchaser and “**Party**” means any one of them.

“**Person**” includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

“**Plan of Arrangement**” means this plan of arrangement, and any amendments or variations made in accordance with the terms of the Arrangement Agreement and 0, in accordance with the terms of the Interim Order (once issued), or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

“**Purchaser**” means 1480775 B.C. Ltd.

“**RSU Agreement**” means an agreement evidencing the terms of any RSU.

“**RSUs**” means any outstanding restricted share units issued pursuant to the Incentive Plan or otherwise.

“**Securities Authority**” means the Ontario Securities Commission and any other applicable securities commission or regulatory authority of a province or territory of Canada.

“**Securityholders**” means, collectively, the Shareholders, the Optionholders and the holders of RSUs and DSUs.

“**Shareholders**” means the registered or beneficial holders of the Shares, as the context requires.

“**Shares**” means the common shares in the capital of the Corporation, including any common shares issued upon the valid exercise of Options or exchange of DSUs or RSUs.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Voting Securityholders**” means collectively, the Shareholders and Optionholders.

## **Section 1.2 Certain Rules of Interpretation.**

In this Plan of Arrangement, unless otherwise specified:

- (1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (2) **Currency.** All references to dollars or to \$ are references to Canadian dollars.
- (3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and *vice versa*.
- (4) **Certain Phrases and References, etc.** The words “including,” “includes” and “include” mean “including (or includes or include) without limitation,” and “the aggregate of,” “the total of,” “the sum of,” or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. Unless stated otherwise, “Article” and “Section” followed by a number or letter mean and refer to the specified Article or Section of

this Plan of Arrangement. The terms “Plan of Arrangement,” “hereof,” “herein” and similar expressions refer to this Plan of Arrangement (as it may be amended, modified or supplemented from time to time) and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

- (5) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (6) **Computation of Time.** For purposes of this Plan of Arrangement, a period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. (Vancouver time) on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. (Vancouver time) on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

## **ARTICLE 2 THE ARRANGEMENT**

### **Section 2.1 Arrangement**

This Plan of Arrangement constitutes an arrangement under Section 288 of the BCBCA and is made pursuant to, and is subject to the provisions of, the Arrangement Agreement.

### **Section 2.2 Binding Effect**

This Plan of Arrangement and the Arrangement will become effective, and be binding on the Corporation, the Purchaser, all Securityholders (including Dissenting Holders), any agent or transfer agent therefor and the Depository at and after the Effective Time, without any further act or formality required on the part of any Person, except as expressly provided in this Plan of Arrangement. Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any Party or any other Person until the Effective Time.

### **Section 2.3 Arrangement**

Commencing at the Effective Time on the Effective Date, each of the following events shall occur and shall be deemed to occur sequentially in the order as set out below without any further authorization, act or formality of or by the Corporation, the Purchaser or any other person:

- (1) each outstanding Share held by a Dissenting Holder in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens), and:
- (a) such Dissenting Holder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of its Shares by the Purchaser, and following completion of the amalgamation under 0, Amalco, in accordance with Article 4;
  - (b) the name of such Dissenting Holder shall be removed from the register of holders of Shares maintained by or on behalf of the Corporation; and
  - (c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Corporation as the holder of such Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens);
- (2) each outstanding Share (other than Shares held by any Dissenting Holder who has validly exercised such holder's Dissent Rights) shall be transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, and

- (a) the holder of such Share shall cease to have any rights as a Shareholder other than the right to be paid the Consideration in accordance with this Plan of Arrangement;
  - (b) the name of such holder shall be removed from the register of holders of Shares maintained by or on behalf of the Corporation; and
  - (c) the Purchaser shall be recorded on the register of holders of Shares maintained by or on behalf of the Corporation as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens);
- (3) each Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable Option Agreement in relation thereto, shall be deemed to be unconditionally vested and exercisable, and such Option shall be, without any further action by or on behalf of the holder of such Option, surrendered by the holder thereof to the Corporation (free and clear of all Liens) in exchange for a cash payment equal to the amount (if any) by which the Consideration exceeds the exercise price of such Option, and such Option shall immediately be cancelled and, for greater certainty, where such amount is zero or negative, none of the Corporation, the Depository or the Purchaser shall be obligated to pay such Optionholder any amount in respect of such Option;
- (4) concurrently with the step described in 0(3), (a) each Optionholder shall cease to be a holder of such Options, (b) each such Optionholder's name shall be removed from the applicable register maintained by the Corporation, (c) all Option Agreements shall be terminated and shall be of no further force and effect, and (d) each such Optionholder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to 0(3);
- (5) each DSU that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any agreement in relation to such DSU, shall be, without any further action by or on behalf of the holder of such DSU, deemed to be assigned and transferred by such holder to the Corporation (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such DSU shall be immediately cancelled;
- (6) concurrently with the step described in 0(5), (a) each holder of DSUs shall cease to be a holder of such DSUs, (b) each such holder's name shall be removed from the applicable register maintained by the Corporation, (c) all agreements relating to the DSUs shall be terminated and shall be of no further force and effect, and (d) each such holder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to 0(5);
- (7) each RSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable RSU Agreement in relation thereto, shall be deemed to be unconditionally vested, and such RSU shall be, without any further action by or on behalf of the holder of such RSU, deemed to be assigned and transferred by such holder to the Corporation (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such RSU shall be immediately cancelled;
- (8) concurrently with the step described in 0(7), (a) each holder of RSUs shall cease to be a holder of such RSUs, (b) each such holder's name shall be removed from the applicable register maintained by the Corporation, (c) the Incentive Plan and all RSU Agreements shall be terminated and shall be of no further force and effect, and (d) each such holder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to 0(7);
- (9) the Shares shall be deemed to be de-listed from the TSX Venture Exchange and the Corporation shall make, and shall be deemed to have made, an election to cease to be a "public corporation" under subsection 89(1) of the Tax Act; and

- (10) the Corporation and the Purchaser will amalgamate to form one corporate entity, Amalco, with the same effect as if they had amalgamated under Section 276 of the BCBCA and Amalco will continue as one corporation under the BCBCA, and the provisions of Article 4 will apply to Amalco.

### **ARTICLE 3 AMALGAMATION MATTERS**

#### **Section 3.1 Amalgamation**

- (1) Upon the amalgamation of the Corporation and the Purchaser to form Amalco pursuant to 0, the following provisions will apply to Amalco:
- (a) the notice of articles and articles of Amalco will be in the form of the notice of articles and articles of the Purchaser;
  - (b) the name of Amalco will be “CloudMD Software & Services Inc.”;
  - (c) the registered office of Amalco will be the registered office of the Purchaser;
  - (d) the authorized capital of Amalco will be an unlimited number of Class A common shares and an unlimited number of Class B common with the same rights, privileges, restrictions and conditions as the Class A common shares and Class B common shares, respectively, of the Purchaser;
  - (e) each issued and outstanding share of a class of the Purchaser will continue upon the amalgamation as a share of the same class of Amalco;
  - (f) all shares of the Corporation will be cancelled without any repayment of capital in respect thereof;
  - (g) the aggregate capital of the Class A common shares and Class B common shares of Amalco will be an amount equal to the sum of the paid-up capital for the purposes of the Tax Act of the Shares and the Class A common shares and Class B common shares of the Purchaser immediately prior to the amalgamation;
  - (h) there will be no restrictions on business that Amalco is authorized to carry on or the powers that Amalco may exercise;
  - (i) the board of directors of Amalco will, until otherwise changed in accordance with the BCBCA, consist of the same individuals and number of directors as the Purchaser had immediately prior to the Effective Time;
  - (j) all authorizations previously given by the shareholders and boards of directors of the Corporation and the Purchaser and their predecessors will be deemed to be authorizations given by the shareholders and board of directors of Amalco;
  - (k) the initial officers of Amalco shall be the same as the officers of the Purchaser;
  - (l) the fiscal year end of Amalco will be the fiscal year end of the Purchaser; and
  - (m) the first annual general meeting of Amalco or resolutions in lieu thereof shall be held within 18 months of the Effective Date.
- (2) The effect of the amalgamation of the Corporation and the Purchaser referred to in 0 will, at the time of the amalgamation, be as follows:
- (a) the property of each of the Corporation and the Purchaser will be the property of Amalco and, without limiting the provisions hereof, all rights of creditors or others will be unimpaired by such

amalgamation, and all liabilities and obligations of the Corporation and the Purchaser, whether arising by contract or otherwise, may be enforced against Amalco to the same extent as if such obligations had been incurred or contracted by it (except in respect of any liabilities owed by the Corporation to the Purchaser or by the Purchaser to the Corporation which will be eliminated as a result of the amalgamation);

- (b) any existing cause of action, claim or liabilities to prosecution of the Corporation and the Purchaser will be unaffected;
- (c) any civil, criminal or administrative action or proceeding pending by or against either of the Corporation or the Purchaser may continue to be prosecuted by or against Amalco; and
- (d) a conviction against, or ruling, order or judgment in favour of or against, either of the Corporation or the Purchaser may be enforced by or against Amalco.

#### **ARTICLE 4 DISSENT RIGHTS**

##### **Section 4.1 Dissent Rights**

- (1) Registered Shareholders may exercise dissent rights with respect to all Shares held by such holders (“**Dissent Rights**”) in connection with the Arrangement pursuant to and in strict compliance with the procedures set forth in Division 2 of Part 8 of the BCBCA, as modified by the Interim Order and this 0; provided that notwithstanding Section 242 of the BCBCA, that written objection to the Arrangement must be received by Corporation not later than 5:00 p.m. (Vancouver time) on the day that is two Business Days immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time).
- (2) Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens, as provided in 0(1) and, if they:
  - (a) are ultimately entitled to be paid fair value for such Shares, (i) shall be deemed not to have participated in the transactions in Article 2 (other than (1)); (ii) shall be entitled to be paid the fair value of such Shares by the Purchaser, and following completion of the amalgamation under 0, Amalco, which fair value shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Shares; or
  - (b) are ultimately not entitled, for any reason, to be paid fair value for such Shares, shall be deemed to have participated in the Arrangement on the same basis as Shareholders who have not exercised Dissent Rights in respect of such Shares and shall be entitled to receive the Consideration to which holders of Shares who have not exercised Dissent Rights are entitled under 0(2) hereof (less any amounts withheld pursuant to 0).

##### **Section 4.2 Recognition of Dissenting Holders**

- (1) In no case shall the Corporation, the Purchaser, Amalco or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered Shareholder in respect of which such rights are sought to be exercised.
- (2) In no case shall the Corporation, the Purchaser, Amalco or any other Person be required to recognize any Shareholder who exercises Dissent Rights as a Shareholder after the Effective Time.

- (3) Shareholders who withdraw, or are deemed to withdraw, their right to exercise Dissent Rights shall be deemed to have participated in the Arrangement, as of the Effective Time, and shall be entitled to receive the Consideration to which Shareholders who have not exercised Dissent Rights are entitled under (2) hereof (less any amounts withheld pursuant to 0).
- (4) For greater certainty, in addition to any other restrictions under Division 2 of Part 8 of the BCBCA or the Interim Order, none of the following Persons shall be entitled to Dissent Rights: (a) Optionholders, (b) holders of RSUs or DSUs, and (c) Shareholders who vote or have instructed a proxyholder to vote their Shares in favour of the Arrangement Resolution.

## **ARTICLE 5 CERTIFICATES AND PAYMENTS**

### **Section 5.1 Payment of Consideration**

- (1) Prior to the Effective Time, the Purchaser shall deposit, or arrange to be deposited, for the benefit of the Shareholders (other than the Dissenting Holders), cash with the Depository in the aggregate amount equal to the payments in respect of Shares (other than Shares held by Dissenting Shareholders) required by this Plan of Arrangement, with the amount per Share in respect of which Dissent Rights have been exercised being deemed to be the Consideration for this purpose, net of applicable withholdings for the benefit of the Shareholders. The cash deposited with the Depository by or on behalf of the Purchaser shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.
- (2) Upon surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Shares that were transferred pursuant to (2), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the Shareholders represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder, the cash which such holder has the right to receive under the Arrangement for such Shares, less any amounts withheld pursuant to 0, and any certificate so surrendered shall forthwith be cancelled.
- (3) As soon as reasonably practicable after the Effective Time, Amalco shall deliver or cause to be delivered to such former holders of applicable Options, a cheque (or other form of immediately available funds) representing the cash amount that such holder is entitled to receive pursuant to (3), less applicable withholdings pursuant to 0.
- (4) As soon as reasonably practicable after the Effective Time, Amalco shall deliver or cause to be delivered to such former holders of applicable DSUs, a cheque (or other form of immediately available funds) representing the cash amount that such holder is entitled to receive pursuant to (5), less applicable withholdings pursuant to 0.
- (5) As soon as reasonably practicable after the Effective Time, Amalco shall deliver or cause to be delivered to such former holders of applicable RSUs, a cheque (or other form of immediately available funds) representing the cash amount that such holder is entitled to receive pursuant to (7), less applicable withholdings pursuant to Section 5.3.
- (6) Until surrendered as contemplated by this 0, each certificate that immediately prior to the Effective Time represented Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this 0, less any amounts withheld pursuant to 0. Any such certificate formerly representing Shares not duly surrendered on or before the sixth (6<sup>th</sup>) anniversary of the Effective Date shall cease to represent a claim by or interest of any former Shareholder of any kind or nature against or in the Corporation, the Purchaser or Amalco. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to Amalco and shall be paid over by the Depository to Amalco, or as directed in writing by Amalco.

- (7) Any payment made by way of cheque by the Depositary (or the Corporation or Amalco, as the case may be) in accordance with this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Corporation or Amalco, as the case may be) or that otherwise remains unclaimed, in each case, on or before the sixth (6<sup>th</sup>) anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the third (3<sup>rd</sup>) anniversary of the Effective Time, shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Shares, Options, DSUs or RSUs in accordance with this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to Amalco for no consideration.
- (8) No Securityholder shall be entitled to receive any consideration with respect to their Shares, Options, DSUs or RSUs other than any cash payment to which such holder is entitled to receive in accordance with 0 and this 0, and, for greater certainty, no such Securityholder shall be entitled to receive any interest, dividends, premium or other payment in connection therewith.

#### **Section 5.2 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more Shares that were transferred pursuant to 0 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the share register maintained by or on behalf of the Corporation, the Depositary shall issue in exchange for such lost, stolen or destroyed certificate, a cheque (or other form of immediately available funds) representing the cash amount to which such holder is entitled to receive for such Shares under this Plan of Arrangement in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall, as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser (and following completion of the amalgamation under 0, Amalco) and the Depositary (each acting reasonably) in such sum as the Purchaser, and following completion of the amalgamation under 0, Amalco, may direct, or otherwise indemnify the Corporation, the Purchaser and Amalco in a manner satisfactory to the Corporation and the Purchaser (and following completion of the amalgamation under 0, Amalco) against any claim that may be made against the Corporation, the Purchaser or Amalco, as the case may be, with respect to the certificate alleged to have been lost, stolen or destroyed.

#### **Section 5.3 Withholding Rights**

Each of the Corporation and the Purchaser (and following completion of the amalgamation under 0, Amalco) and the Depositary, as applicable, shall be entitled to deduct and withhold from any amount otherwise payable or deliverable to any Person under this Plan of Arrangement, such amounts as are required to be deducted and withheld with respect to such payment under the Tax Act or any provision of any other applicable Law in respect of Taxes and shall remit such deduction and withholding to the appropriate Governmental Entity. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made.

#### **Section 5.4 Calculations**

All aggregate amounts of cash consideration to be received under this Plan of Arrangement will be calculated to the nearest cent (\$0.01). All calculations and determinations made in good faith by the Corporation or the Purchaser (or Amalco, as the case may be) or the Depositary, as applicable, for the purposes of this Plan of Arrangement shall be conclusive, final and binding, absent manifest error.

#### **Section 5.5 No Liens**

Any exchange or transfer of securities in accordance with this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

## **Section 5.6 Paramourtycy**

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Shares, Options, RSUs and DSUs issued or outstanding prior to the Effective Time, (b) the rights and obligations of the Securityholders, the Corporation, the Purchaser, Amalco, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Shares, Options, RSUs or DSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

## **ARTICLE 6 AMENDMENTS**

### **Section 7.1 Amendments**

- (1) The Corporation and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (a) set out in writing, (b) approved by the Corporation and the Purchaser, each acting reasonably, (c) filed with the Court and, if made following the Meeting, approved by the Court, and (d) communicated to the Securityholders if and as required by the Court.
- (2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Corporation or the Purchaser at any time prior to the Meeting (provided that the Corporation or the Purchaser, as applicable, shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (3) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if (a) it is consented to in writing by each of the Corporation and the Purchaser (in each case, acting reasonably), and (b) if required by the Court, approved by the Voting Securityholders in the manner directed by the Court.
- (4) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Amalco, provided that it concerns a matter which, in the reasonable opinion of Amalco is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Securityholder.
- (5) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

## **ARTICLE 7 FURTHER ASSURANCES**

### **Section 7.1 Further Assurances**

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

**APPENDIX C  
FAIRNESS OPINION**

See attached.



May 13, 2024

The Special Committee of the Board of Directors  
**CloudMD Software & Services Inc.**  
181 University Ave, Suite 1101  
Toronto, ON  
M5H 3M7

To the Special Committee of the Board of Directors:

INFOR Financial Inc. (“**INFOR Financial**”, “**we**” or “**us**”) understands that CloudMD Software & Services Inc. (“**CloudMD**” or the “**Corporation**”) is contemplating entering into a definitive arrangement agreement (the “**Arrangement Agreement**”) with an affiliate (the “**Purchaser**”) of CPS Management Corp. (“**CPS**”), which provides for, among other things, the acquisition (the “**Proposed Transaction**”) by the Purchaser of all the issued and outstanding common shares in the capital of CloudMD (the “**Common Shares**”), in accordance with the terms and conditions of a plan of arrangement (the “**Arrangement**”) pursuant to section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), as amended from time to time.

### ***The Arrangement***

We understand that:

- a) pursuant to the Arrangement Agreement, the Purchaser will acquire each of the issued and outstanding Common Shares from the holders of the Common Shares (the “**Shareholders**”) for cash consideration of \$0.04 per share (the “**Consideration**”);
- b) concurrently with entering into the Arrangement Agreement, the Purchaser will enter into voting and support agreements (the “**Voting and Support Agreements**”) with each director and officer of CloudMD (collectively, the “**Supporting Shareholders**”) whereby each Supporting Shareholder will agree to, among other things, vote their Common Shares in favour of the Arrangement (subject to terms and conditions of the respective Voting and Support Agreement);
- c) the Arrangement is subject to certain conditions, including, without limitation, approval by an affirmative vote of at least: (i) 66⅔% of the votes cast at the special meeting (the “**Meeting**”) in person (virtually) or by proxy by the Shareholders; (ii) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by Shareholders and holders of options (collectively, the “**Securityholders**”), voting together as a single class; and (iii) a simple majority of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders, excluding the Common Shares held by an “interested party” required to be excluded in accordance with MI 61-101 (as defined below);
- d) the Arrangement also requires the approval of the Supreme Court of British Columbia and is subject to the satisfaction of certain other customary conditions for a transaction of this nature; and
- e) the terms and conditions of the Proposed Transaction will be described in a management information circular of the Corporation and related documents (collectively, the “**Circular**”) that will be mailed to the Securityholders in connection with the Meeting.

You have requested INFOR Financial’s opinion (the “**Opinion**”) with respect to the fairness of the Consideration, from a financial point of view, to the Shareholders. This Opinion is provided pursuant to the Engagement Agreement (as defined below). In that regard, pursuant to the Engagement Agreement and at the request of the Special Committee, on May 13, 2024, INFOR Financial verbally delivered the Opinion to the Special Committee. This Opinion provides the same opinion, in writing, as that given verbally by INFOR Financial on May 13, 2024.

This Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of Canadian Investment Regulatory Organization (“**CIRO**”) but CIRO has not been involved in the preparation or review of this Opinion.

### ***INFOR Financial Engagement and Background***

CloudMD formally engaged INFOR Financial pursuant to a letter agreement between INFOR Financial and the Corporation dated August 2, 2022, as amended pursuant to an amendment agreement dated April 10, 2024 when INFOR Financial was engaged to act as financial advisor in respect of a proposed financing (the “**Engagement Agreement**”). The Engagement Agreement provides that INFOR Financial is engaged to act as financial advisor to the Corporation in connection with the Proposed Transaction, including delivery of the Opinion, if requested or required.

The terms of the Engagement Agreement provide that INFOR Financial is to be paid certain fees for its services as financial advisor, including (i) a fee payable upon completion of the Arrangement, and (ii) a fee due upon delivery of the Opinion, no part of which is contingent upon the Opinion being favourable or upon success of the Arrangement. In addition, INFOR Financial is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by CloudMD as described in the indemnity that forms part of the Engagement Agreement.

### ***Independence of INFOR Financial***

None of INFOR Financial, or its affiliates or associates, is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (Ontario) (the “**Act**”) of CloudMD, the Purchaser or CPS (collectively, the “**Interested Parties**”), or any of their respective associates or affiliates. INFOR Financial has been retained by CloudMD as its financial advisor in respect of the Arrangement pursuant to the Engagement Agreement, which engagement includes delivery of the Opinion. INFOR Financial is not acting as an advisor, financial or otherwise, to any person or company in respect of the Arrangement, other than to the Corporation.

INFOR Financial has provided the following financial advisory services and financing services to CloudMD over the past 24 months, when it was previously engaged by the Corporation:

- a) pursuant to an engagement letter dated October 24, 2023, as its financial advisor in respect of evaluating select corporate matters and strategic initiatives, which was completed on December 24, 2023;
- b) pursuant to an engagement letter dated November 21, 2022, as its financial advisor in respect of the sale of U.S. based electronic medical records, revenue cycle management and practice management assets, which was completed on July 4, 2023; and
- c) pursuant to an engagement letter dated June 2, 2022, as its financial advisor in respect of a strategic review and the sale of non-core assets, including medical clinics, Cloud Practice and retail pharmacies, which were completed on November 2, 2022 and December 19, 2022.

INFOR Financial has not entered into any other agreements or arrangements with any Interested Party with respect to any future dealings. INFOR Financial may however, in the ordinary course of its business, provide financial advisory or investment banking services to one or more of the Interested Parties from time to time. INFOR Financial acts as a securities trader and dealer, both as principal and agent, in major financial markets and, as such, may have had, may have and may in the future have long or short positions in securities of the Corporation and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it may have received or may receive compensation. INFOR Financial believes that it does not have any conflicts of interest (real or perceived) with regard to any Interested Parties in providing the Opinion.

### *Credentials of INFOR Financial*

INFOR Financial is an independent investment bank that offers advice on mergers and acquisitions, capital raises and corporate restructurings. INFOR Financial's principals have extensive experience working at leading accounting firms, law firms, asset management firms and both independent Canadian and global bank owned investment dealers where they served diverse industries including financial services, technology, media and communications, healthcare, industrials, and metals and mining. They have extensive experience providing advisory services on complex, transformative transactions and related capital markets activity.

### *Scope of Review*

For the purpose of preparing the Opinion, INFOR Financial analyzed financial, operational and other information relating to CloudMD, including information derived from meetings and discussions with the management of CloudMD. Except as expressly described herein, INFOR Financial has not conducted any independent investigations to verify the accuracy and completeness thereof.

In connection with rendering the Opinion, INFOR Financial reviewed and relied upon, among other things, the following:

- The Letter of Intent entered into between CloudMD and CPS dated April 22, 2024;
- A draft of the final form of the Arrangement Agreement dated May 13, 2024 (including, without limitation, the Plan of Arrangement, attached as a Schedule thereto);
- A draft of the final form of the Voting Support Agreement dated May 13, 2024;
- A draft of the final form of the Forbearance Agreement dated May 13, 2024 (including, without limitation, the Bridge Loan Term Sheet, attached as a schedule thereto) in respect of the secured credit facilities maturing on June 25, 2024 (the "**Credit Facilities**");
- A draft of the final form of the Intercreditor Agreement dated May 10, 2024;
- Public filings submitted by CloudMD filed on the System for Electronic Document Analysis and Retrieval+ at [www.sedarplus.ca](http://www.sedarplus.ca) since the Common Shares were listed on the TSX Venture Exchange;
- Audited annual financial statements of CloudMD and related management's discussion and analysis for the fiscal years ended December 31, 2020, 2021, 2022;
- Unaudited financial statements of CloudMD and related management's discussion and analysis for the fiscal quarters ended March 31, 2022, June 30, 2022, September 30, 2022, March 31, 2023, June 30, 2023, September 30, 2023;
- Draft audited consolidated financial statements of CloudMD for the year ended December 31, 2023;
- Draft interim financial statements of CloudMD for the three months ended March 31, 2024;
- Discussions with the senior management team of CloudMD regarding the Corporation's assets, operations, business plan and the Corporation's financial position and prospects;
- Representations contained in an officers' certificate (the "**Certificate**"), addressed to INFOR Financial and dated as of the date hereof, from the Chief Executive Officer and the Chief Financial Officer of CloudMD as to the completeness and accuracy of the information upon which this Opinion is based and certain other matters; and
- Such other corporate, industry, economic and financial market information, investigations and analyses as INFOR Financial considered necessary or appropriate in the circumstances.

INFOR Financial has not, to the best of its knowledge, been denied access by CloudMD to any information requested. INFOR Financial did not meet with the auditors of CloudMD and has assumed the accuracy and fair presentation of the audited and unaudited consolidated financial statements of those parties and, as applicable, the reports of the auditors thereon.

### ***Prior Valuations***

The Corporation has represented to INFOR Financial that there have not been any prior valuations (as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”)) of the Corporation or its material assets or its securities in the past 24-month period, and that no such valuation or appraisal has been commissioned, or is in the course of preparation, by CloudMD or any of their subsidiaries.

### ***Assumptions and Limitations***

With the approval of the Board and the Special Committee, and as is provided for in the Engagement Agreement, INFOR Financial has relied upon the completeness, accuracy and fair presentation of all of the financial information, business plans, forecasts and other information, data, representations and other material obtained by us from public sources or provided to INFOR Financial regarding CloudMD and the Proposed Transaction, directly or indirectly, orally or in writing, by CloudMD, its subsidiaries, associates and/or affiliates (with affiliates, subsidiaries and associates having the meanings ascribed to such terms in the Act) and/or any of their respective agents, advisors, consultants and representatives or otherwise obtained by us for the purpose of preparing the Opinion (collectively, the “**Information**”). The Opinion is conditional upon the completeness, accuracy, and fair presentation of the Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy, or fair presentation of any of the Information or investigated whether any changes have occurred to the facts set out or referred to in the Information subsequent to the date thereof.

With respect to the financial budget, forecasts and other future oriented financial information of CloudMD, upon the advice of CloudMD, we have assumed that such projections, forecasts and other future oriented financial information have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management team of CloudMD at the time that they were prepared or delivered, except to the extent updated by more current information provided to us by the management team of CloudMD. We express no independent view as to the reasonableness of such financial budgets, forecasts, and other future oriented financial information of CloudMD, or the assumptions on which they are based.

We have also assumed that all of the representations and warranties contained in the Arrangement Agreement are correct as of the date hereof and that the Proposed Transaction will be completed substantially in accordance with its terms and all applicable laws, and the Circular or other disclosure document (each, a “**Disclosure Document**”) will disclose all material facts relating to the Proposed Transaction and will satisfy all applicable legal requirements.

The Chief Executive Officer and Chief Financial Officer of CloudMD have represented to INFOR Financial in the Certificate, among other things, that (i) the Information was, at the date the Information was provided to INFOR Financial and as at the date of the delivery of the Certificate to INFOR Financial, complete, true and correct in all material respects, and did not contain any untrue statement of a material fact (as such term is defined in the Act) in respect of CloudMD or any other subsidiary or affiliate of CloudMD or in respect of the Proposed Transaction or omit to state a material fact necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided, and (ii) since the dates on which the Information was disclosed or provided to INFOR Financial, except as subsequently disclosed to INFOR Financial, there has been no material change (as such term is defined in the Act) or new material fact, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, affairs, operations or prospects of CloudMD or any of CloudMD’s subsidiaries, associates or affiliates, or to the Proposed Transaction nor any change in any material fact which is of a nature as to render any portion of the Information untrue or misleading in any material adverse respect or which would reasonably be expected to have a material adverse effect on the Opinion.

In arriving at our opinion as expressed herein, we have not made or prepared any valuation or appraisal of the securities, assets, or liabilities of CloudMD or any party to the Proposed Transaction, nor have we been furnished with any such valuations or appraisals, and our opinion should not be construed as any such valuation or appraisal. Moreover, the advice and opinions provided are not intended to constitute an opinion as to the “fair value” of CloudMD or any of the respective securities or assets thereof. INFOR Financial was not engaged to review any legal, tax or regulatory aspects of the Proposed Transaction and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by CloudMD and its legal and tax advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Proposed Transaction as compared to any strategic alternatives that may be available to CloudMD. The Opinion is rendered on the basis of securities markets, economic, financial, and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of CloudMD, as they were reflected in the Information and as they have been represented to INFOR Financial in discussions with management of CloudMD.

In considering the fairness of the Consideration, from a financial point of view, to the Shareholders we did not assess any income tax consequences of the Proposed Transaction to Shareholders. We have not conducted, and we have assumed no obligation to conduct, any due diligence on the material contracts of CloudMD or the Purchaser or their respective affiliates. The Opinion is limited to the fairness of the Consideration, from a financial point of view, to the Shareholders, and we express no opinion as to the underlying decision which the Special Committee or Board may make to recommend the Proposed Transaction.

In its analyses and in preparing the Opinion, INFOR Financial has made numerous assumptions with respect to industry trends and performance, general business and economic conditions and other regulatory matters, many of which are beyond the control of INFOR Financial or any party to the Proposed Transaction and, while reasonable under current circumstances, may prove to be incorrect. INFOR Financial believes that its analysis must be considered as a whole and that selecting portions of the analysis, or the factors considered by it, without considering all factors and analysis together, could create a misleading view of the process underlying the Opinion. The Opinion should be read in its entirety.

In preparing the Opinion, we have assumed that the executed Arrangement Agreement will not differ in any material respect from the draft that we have reviewed, and that the Proposed Transaction will be consummated in accordance with the terms and conditions of the Arrangement Agreement and the Plan Arrangement scheduled thereto, without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The preparation of an opinion of this nature is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Opinion has been provided solely for the use of the Special Committee (and the Board) for the purposes of considering the Proposed Transaction and may not be used or relied upon by any other person or for any other purpose without the express prior written consent of INFOR Financial.

This Opinion does not constitute a recommendation to the Special Committee (or the Board) as to whether they should, respectively, recommend approving, or approve, the Arrangement Agreement, and the Opinion does not constitute a recommendation to any of the Securityholders as to whether any such persons should vote in favour of the Proposed Transaction or any other matter. Under the terms of the Engagement Letter, INFOR Financial consented to the inclusion of the text and description of the Opinion in the Circular and any Disclosure Document to be mailed to Shareholders in connection with the Proposed Transaction, provided that such Disclosure Document is provided to INFOR Financial and the disclosure therein relating to INFOR Financial and the Opinion is approved by us, acting reasonably.

The Opinion is given as of the date hereof, and INFOR Financial disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to INFOR Financial's attention after the date hereof. Without limiting the foregoing, in the event that there is any material

change in any fact or matter affecting the Opinion after the date hereof, INFOR Financial reserves the right to change, modify or withdraw the Opinion.

### ***Approach to Fairness***

In support of the Opinion, INFOR Financial performed such analyses as we considered necessary and appropriate at the time and in the circumstances for the purposes of arriving at its Opinion. The summary below is not intended to be a complete description of the factors considered or financial analyses performed by INFOR Financial, nor does the order of analyses described represent relative importance or weight given to those analyses by INFOR Financial. In performing its analyses, INFOR Financial made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, which INFOR Financial believes to be reasonable and appropriate in the exercise of its professional judgement, many of which are beyond the control of INFOR Financial, or any party involved in the Proposed Transaction. These analyses did not and do not purport to be appraisals, nor did they or do they necessarily reflect the prices at which businesses or securities may actually be sold or traded in public or private markets. Any estimates were, by their nature, not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favourable than as set out herein.

In preparing and arriving at the Opinion, INFOR Financial considered the following methodologies:

- 1) **Adjusted Net Asset Value Analysis:** The Adjusted Net Asset Value analysis is appropriate to use when the net realizable value constitutes the primary determinant of fair market value, as opposed to cash flow or the value of the individual businesses within the company; the approach focuses on the asset and liability values of the company's balance sheet, which are adjusted to fair market value.
- 2) **Comparable Companies Trading Analysis:** Comparable companies trading analysis is a relative valuation analysis that evaluates the value of a company using trading and financial metrics of other publicly traded companies which have been determined to have similar characteristics. INFOR Financial performed an analysis on selected publicly listed employer-focused and diversified healthcare companies which are domiciled and/or carry out operations in North America, and which INFOR Financial believed to be generally comparable to CloudMD. In performing this analysis, INFOR Financial analyzed: (i) estimated financial information with respect to CloudMD, as provided by CloudMD's management; and (ii) certain publicly available financial information, including, without limitation, financial information for CloudMD and selected public companies, with research analysts' estimates for the selected public companies. When utilizing this approach, INFOR Financial considered multiples of total enterprise value ("TEV"), which were calculated as fully diluted equity value, plus debt, less cash and cash equivalents, and, if applicable, adjusted for any minority interests. INFOR Financial considered multiples of (a) TEV, as compared to revenue, and (b) TEV, as compared to Adjusted EBITDA where Adjusted EBITDA was defined in the relevant financial statements.
- 3) **Precedent Transactions Analysis:** Precedent transactions analysis involves the comparison of multiples, as implied by the respective consideration in each acquisition transaction, to those paid in such acquisition transactions, involving public and private companies which INFOR Financial considered to be similar, or relevant, to CloudMD, as applicable, and where information is publicly available. Each of the precedent transactions identified by INFOR Financial were unique in terms of size, geographic footprint, revenue and EBITDA profile in the employer-focused and diversified healthcare sector and general economic and equity market conditions at the time of the transaction.
- 4) **Discounted Cash Flow Analysis:** The discounted cash flow analysis is used to determine the value of a company by utilizing a net present value calculation of a company's future free cash flows. It requires certain assumptions to be made regarding, among other things, the amount, timing, and relative certainty

of projected free cash flows for each year of the projection period, as well as appropriate discount rates and terminal value calculations. When a company is expected to operate beyond the specified cash flow projection period, these subsequent projected results are accounted for by deriving a terminal value, which is calculated by capitalizing certain values as at the end of the forecast period utilizing certain terminal cash flow methodologies, and then discounting such terminal value at an appropriate discount rate to calculate its net present value. There is a possibility that some or all of the assumptions and values in the projection period will prove to be inaccurate and materially different.

- 5) **M&A Premiums Analysis:** The M&A premiums analysis is used to determine the premium an acquirer would pay over the target company's current market price. It involves analyzing the premiums paid in precedent M&A transactions. INFOR Financial reviewed publicly available information for selected premiums implied by Canadian and U.S. M&A transactions we considered relevant and applied a range of premiums considered appropriate in the circumstances to the company's close price and the 5, 10, and 20-day volume weighted average price ("VWAP"), to obtain a range of values for the Common Shares. INFOR Financial considered Canadian and U.S. transactions in industries excluding energy and real estate with transaction value between US\$20 million and US\$500 million that INFOR Financial considered relevant.

Given CloudMD's history of significant cash-burn and anticipated continued cash-burn and operating losses, and the significant risk to the Company's ability to continue as a going concern resulting from its inability to obtain required capital to refinance the Credit Facilities, INFOR Financial considered the adjusted net asset value analysis to be the most appropriate in the context of the Proposed Transaction and in connection with such analysis considered a number of factors, analyzed estimated financial information with respect to CloudMD as provided by CloudMD's management, and where appropriate, adjusted the asset and liability values of the Corporation's balance sheet and deducted the transaction costs to be incurred upon close to arrive at a fair market value. For the same reasons, INFOR Financial considered, but ultimately did not rely on the comparable companies trading analysis, the precedent transactions analysis, and the discounted cash flow analysis. INFOR Financial also considered, but ultimately did not rely on the M&A premiums analysis as CloudMD does not comply with all requirements of Section 1.2 of MI 61-101 which defines the criteria required to categorize the market of an issuer's shares as a "liquid market".

INFOR Financial also considered a number of other factors, including, but not limited to: (a) various discussions held with other potential acquirers for CloudMD over the previous 24 months; (b) CloudMD management's description of the various strategic and business initiatives analyzed and undertaken in an attempt to identify a viable business model for the Corporation; (c) the continued decrease in the Common Shares' share price, and (d) the possibility, as determined by CloudMD, that the Corporation would deplete its cash resources in the absence of the Proposed Transaction or other similar transaction.

### ***Conclusion***

Based upon and subject to the assumptions, qualifications and limitations contained herein, INFOR Financial is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders pursuant to the Proposed Transaction is fair, from a financial point of view, to the Shareholders.

Yours very truly,

(Signed) "*INFOR Financial Inc.*"

**INFOR FINANCIAL INC.**

**APPENDIX D  
INTERIM ORDER**

See attached.



No. S-243451  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CLOUDMD SOFTWARE &  
SERVICES INC. AND 1480775 B.C. LTD.

**CLOUDMD SOFTWARE & SERVICES INC.**

PETITIONER

**ORDER MADE AFTER APPLICATION**

(Interim Order)

BEFORE ) )  
 ) ASSOCIATE JUDGE ) May 29, 2024  
 ) *Rajit Mittal* )

ON THE APPLICATION of the Petitioner, CloudMD Software & Services Inc. ("**CloudMD**") for an Interim Order pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with a proposed arrangement (the "**Arrangement**") with 1480775 B.C. Ltd. ("**Purchaser**") to be effected on the terms and subject to the conditions set out in a plan of arrangement (the "**Plan of Arrangement**"), without notice, coming on for hearing at 800 Smithe Street, Vancouver, BC on May 29, 2024 and ON HEARING Rajit Mittal, counsel for the Petitioner, and upon reading the Petition to the Court herein and the Affidavit of Graeme McPhail affirmed on May 24, 2024 and filed herein (the "**McPhail Affidavit**");

**THIS COURT ORDERS THAT:**

**DEFINITIONS**

- 1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft management information circular (the "**Circular**") attached as Exhibit "A" to the McPhail Affidavit.

**MEETING**

- 2. Pursuant to Sections 186 and 288-291 of the BCBCA, CloudMD is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of the holders ("**Company Shareholders**") of common shares ("**Company Shares**") in the capital of CloudMD, and the holders of options to purchase Company Shares ("**Company Options**") (holders of Company Options together with Company Shareholders, collectively, "**Company**

*provided all notice requirements are still met.* (initials)

**Securityholders")** to be held via live available online through the Lumi platform, at 10:00 a.m. (Toronto Time) on June 27, 2024, or such other date as CloudMD and the Purchaser may agree, to, among other things:

- (a) consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") of the Company Securityholders approving the Arrangement under Division 5 of Part 9 of the BCBCA, the full text of which is set forth in Appendix "A" to the Circular; and
  - (b) transact such further or other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof.
3. The Meeting shall be called, held and conducted in accordance with the BCBCA, the articles of CloudMD, and the Circular, subject to the terms of this Interim Order, and any further order of this Court, and the rulings and directions of the chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

#### ADJOURNMENT

4. Notwithstanding the provisions of the BCBCA and the articles of CloudMD, and subject to the terms of the Arrangement Agreement, CloudMD, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Company Securityholders respecting such adjournment or postponement and without the need for approval of the Court. Subject to the terms of the Arrangement Agreement, notice of any such adjournments or postponements shall be given by news release, newspaper advertisement, or by notice sent to the Company Securityholders by one of the methods specified in paragraph 9 of this Interim Order, as determined to be the most appropriate method of communication by the board of directors of CloudMD.
5. The Record Date (as defined in paragraph 7 below) shall not change in respect of any adjournments or postponements of the Meeting, unless CloudMD determines that it is advisable, and subject to the consent of the Purchaser acting reasonably.

#### AMENDMENTS

6. Prior to the Meeting, CloudMD is authorized to make such amendments, revisions or supplements to the proposed Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Circular, without any additional notice to the Company Securityholders or further orders of this Court, and the Arrangement, Plan of Arrangement, Arrangement Agreement and Circular as so amended, revised and supplemented shall be the Arrangement and Plan of Arrangement submitted to the Company Securityholders for the Meeting and, as applicable, subject to the Arrangement Resolution.

#### RECORD DATE

7. The record date for determining the Company Securityholders entitled to receive notice of, attend at and vote at the Meeting shall be the close of business in Vancouver, British Columbia on May 23, 2024, or such other date as may be agreed to by CloudMD and the Purchaser (the "**Record Date**").

## NOTICE OF MEETING

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and CloudMD shall not be required to send to the Company Securityholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.
9. The Circular and the Notice of Petition, in substantially the same forms as contained in Exhibits "A" and "B" to the McPhail Affidavit (collectively referred to as the "**Notice Materials**"), and in the case of the Company Securityholders, the forms of proxy, voting information form, and letter of transmittal, in substantially the same forms as contained in Exhibit "C" to the McPhail Affidavit (together with the Notice Materials, the "**Meeting Materials**"), with such deletions, amendments or additions thereto as counsel for CloudMD may advise are necessary or desirable, provided that such deletions, amendments or additions are not inconsistent with the terms of this Interim Order, shall be sent to:
  - (a) the registered Company Securityholders as they appear on the central securities register of CloudMD or the records of its registrar and transfer agent as at the close of business on the Record Date at least 21 days prior to the date of the Meeting, excluding the date of commencement of mailing, delivery or transmittal, by one or more of the following methods:
    - (i) by prepaid ordinary or air mail addressed to the registered Company Securityholders at their addresses as they appear in the applicable records of CloudMD or its registrar and transfer agent, as at the Record Date;
    - (ii) by delivery in person or by courier to the addresses specified in subparagraph (i) above; or
    - (iii) by email or facsimile transmission to any registered Company Securityholders, who has previously identified himself, herself or itself to the satisfaction of CloudMD, acting through its representatives, and who requests such email or facsimile transmission; and
  - (b) the non-registered Company Shareholders by providing, in accordance with National Instrument 54-101 — *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators ("**NI 54-101**"), the requisite number of copies of the Meeting Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to the beneficial owners of Company Shares in accordance with NI 54-101;
  - (c) the directors and auditors of CloudMD by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal; and

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting and delivery of the Meeting Materials.

10. The Notice Materials shall be sent by prepaid ordinary mail or by email transmission to the holders of outstanding deferred share units ("**Company DSUs**"), and holders of outstanding restricted share units ("**Company RSUs**"), to the address of such holder as it appears in the applicable records of CloudMD at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal.
11. Accidental failure of or omission by CloudMD to give notice to any one or more persons entitled thereto, or the non-receipt of such notice by one or more persons entitled thereto, or any failure or omission to give such notice as a result of events beyond the reasonable control of CloudMD (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of CloudMD, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
12. Provided that notice of the Meeting is given, the Meeting Materials are made available to Company Securityholders, and in each case to other persons entitled to be provided such materials in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived and no other form of service of the Meeting Materials or any portion thereof need be made or notice given, or other material served in respect of these proceedings or the Meeting, except to the extent required by paragraph 9 above or as may be directed by a further order of this Court.

#### **DEEMED RECEIPT OF NOTICE**

13. The Notice Materials and Meeting Materials (and any amendments, modifications, updates or supplements to the Notice Materials or Meeting Materials and any notice of adjournment or postponement of the Meeting) shall be deemed, for the purposes of this Interim Order, to have been served upon and received:
  - (a) in the case of mailing pursuant to paragraphs 9(a)(i), 9(c), and 10 above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
  - (b) in the case of delivery in person pursuant to paragraph 9(a)(ii) above, the day following personal delivery or, in the case of delivery by courier, the day following delivery to the person's address in paragraph 9 above;
  - (c) in the case of any means of transmitted, recorded or electronic communication pursuant to paragraphs 9(a)(iii), 9(c), and 10 above, when dispatched or delivered for dispatch; and
  - (d) in the case of delivery to clearing agencies or intermediaries for onward distribution pursuant to paragraph 9(b) above, the day following delivery to clearing agencies or intermediaries.

#### **UPDATING MEETING MATERIALS**

14. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Company Securityholders by press release, news release, newspaper

advertisement or by notice sent to the Company Securityholders by any of the means set forth in paragraph 9, as determined to be the most appropriate method of communication by the board of directors of CloudMD.

#### **QUORUM AND VOTING**

15. The quorum required at the Meeting shall be two (2) persons, present in person or by proxy, being Company Shareholders entitled to vote at the Meeting, and who hold at least five percent (5%) of the issued and outstanding Company Shares entitled to vote at the Meeting.
16. Each Company Securityholder is entitled to one vote for each Company Share or Company Option, as applicable.
17. The vote required to pass the Arrangement Resolution shall be the affirmative vote of at least: (i) two-thirds (66⅔%) of the votes cast at the Meeting by the Company Shareholders present or represented by proxy at the Meeting; (ii) two-thirds (66⅔%) of the votes cast at the Meeting by Company Securityholders, collectively voting as a single class, present or represented by proxy at the Meeting; and (iii) a simple majority of the votes cast by the Company Shareholders present or represented by proxy at the Meeting, excluding the Company Shares required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

#### **PERMITTED ATTENDEES**

18. The only persons entitled to attend the Meeting shall be (i) the registered Company Securityholders as of the close of business in Vancouver, British Columbia on the Record Date, or their respective proxyholders, (ii) the Company's directors, officers, auditors and advisors, (iii) representatives of the Company, including any of their respective directors, officers and advisors, and (iv) any other person admitted on the invitation of the chair of the Meeting or with the consent of the chair of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered Company Securityholders as at the close of business on the Record Date, or their respective proxyholders.

#### **SCRUTINEERS**

19. Representatives of CloudMD's registrar and transfer agent (or any agent thereof) are authorized to act as scrutineers for the Meeting.

#### **SOLICITATION OF PROXIES**

20. CloudMD is authorized to use the forms of proxy (in substantially the same forms as attached as Exhibit "C" to the McPhail Affidavit) in connection with the Meeting, subject to CloudMD's ability to insert dates and other relevant information in the form and, subject to the Arrangement Agreement, with such amendments, revisions or supplemental information as CloudMD may determine are necessary or desirable. CloudMD is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

21. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials. The chair of the Meeting may in his or her discretion, without notice, waive or extend the time limits for the deposit of proxies by the Company's Securityholders if he or she deems it advisable to do so, such waiver or extension to be endorsed on the proxy by the initials of the chair of the Meeting.

#### **DISSENT RIGHTS**

22. The Plan of Arrangement provides registered Company Shareholders with the right to dissent in respect of the Arrangement Resolution. Registered Company Shareholders who validly exercise the right to dissent will be entitled to be paid by CloudMD the fair value of the Company Shares held by such registered Company Shareholders determined as at the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution is approved by the Company Securityholders.
23. A Dissenting Shareholder must dissent with respect to all Company Shares in which the holder owns a beneficial interest. A registered Company Shareholder who wishes to dissent to the Arrangement Resolution must deliver written notice of dissent (a "**Notice of Dissent**") to the Company c/o Cassels Brock & Blackwell LLP, Attn: Lindsay Clements at Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario M5H 0B4 Canada by 5:00 p.m. (Vancouver time) on or before June 25, 2024, or by 5:00 p.m. (Vancouver time) on the Business Day that is two Business Days immediately preceding the Meeting if it is not held on June 27, 2024, and such Notice of Dissent must strictly comply with the requirements of section 242 of the BCBCA. Any failure by a registered Company Shareholder to fully comply may result in the loss of that holder's Dissent Rights with respect to the Arrangement.
24. The delivery of a Notice of Dissent does not deprive a Dissenting Shareholder of the right to vote at the Meeting on the Arrangement Resolution; however, a Dissenting Shareholder is not entitled to exercise the Dissent Rights with respect to the Arrangement with respect to any of his or her Company Shares if the Dissenting Shareholder votes in favour of the Arrangement Resolution. A vote against the Arrangement Resolution, whether virtually or in person, as the case may be, or by proxy, does not constitute a Notice of Dissent.

#### **APPLICATION FOR FINAL ORDER**

25. Upon the approval, with or without variation, by the Company Securityholders of the Arrangement Resolution, in the manner set forth in this Interim Order, CloudMD may apply to this Court for, inter alia, an order:
  - (a) pursuant to s. 291(4)(a) of the BCBCA, approving the Arrangement; and
  - (b) pursuant to s. 291(4)(c) of the BCBCA, declaring that the terms and conditions of the Arrangement, and the distribution of securities to be effected by the Arrangement, are procedurally and substantively fair and reasonable(collectively, the "**Final Order**"),

and the hearing of the Final Order shall be held in person at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time) on July 3, 2024, or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as this Court may direct.

26. The form of Notice of Petition in connection with the Final Order attached to the McPhail Affidavit as Exhibit "B" is hereby approved as the form of Notice of Proceedings for such approval. Any Company Securityholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to the terms of this Interim Order.
27. Any Company Securityholder seeking to appear at the hearing of the application for the Final Order must file and deliver a Response to Petition (a "**Response**") in the form prescribed by the Supreme Court Civil Rules, and a copy of all affidavits or other materials upon which they intend to rely, to the Petitioner's solicitors at:

CASELS, BROCK & BLACKWELL LLP  
Barristers and Solicitors  
2200 - 885 West Georgia St.  
Vancouver, British Columbia, Canada V6C 3E8  
Attention: Rajit Mittal

Fax number for delivery: (604) 691-6120

Telephone: (778) 309-7940

by or before 4:00 p.m. (Vancouver time) on the date that is two Business Days prior to the date of the hearing of the application for the Final Order.

28. Sending the Notice of Petition in connection with the Final Order and this Interim Order in accordance with paragraphs 9 and 10 of this Interim Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings, except as provided in paragraphs 29 and 30 below. In particular, service of the Petition, the McPhail Affidavit, and additional affidavits as may be filed, is dispensed with.
29. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for the Purchaser and any persons who have delivered a Response in accordance with this Interim Order.
30. In the event the hearing for the Final Order is adjourned, only the solicitors for the Purchaser and those persons who have filed and delivered a Response in accordance with this Interim Order need be provided with notice of the adjourned hearing date and any filed materials.

#### **VARIANCE**

31. The Petitioner shall, subject to the terms of the Arrangement Agreement, be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

32. To the extent of any inconsistency or discrepancy between this Interim Order and the Circular, the BCBCA, applicable Securities Laws or the articles of CloudMD, this Interim Order shall govern.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for CloudMD Software &  
Services Inc.  
Rajit Mittal

By the Court



(Registrar



No.  
Vancouver Registry

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**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE *BUSINESS  
CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57,  
AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CLOUDMD SOFTWARE &  
SERVICES INC. AND 1480775 B.C. LTD.

**CLOUDMD SOFTWARE & SERVICES INC.**

PETITIONER

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**ORDER MADE AFTER APPLICATION  
(Interim Order)**

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**CASSELS BROCK & BLACKWELL LLP**

Lawyers

2200 – 885 West Georgia Street

Vancouver, B.C. V6C 3E8

Telephone: (778) 309-7940

E-mail: [rmittal@cassels.com](mailto:rmittal@cassels.com)

Attention: Rajit Mittal

Matter# 056479-00022

**FILING AGENT: WEST COAST TITLE SEARCH**

**APPENDIX E**  
**NOTICE OF PETITION AND PETITION FOR FINAL ORDER**

See attached.



No. 243451  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CLOUDMD SOFTWARE &  
SERVICES INC. AND 1480775 B.C. LTD.

**CLOUDMD SOFTWARE & SERVICES INC.**

PETITIONER

**NOTICE OF HEARING**

ON NOTICE TO: THE APPLICATION IS WITHOUT NOTICE

TAKE NOTICE that an application for the interim order sought in the form attached as Schedule "A" to the Petition to the Court of CloudMD Software & Services Inc. dated May 27, 2024, will be heard at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on May 29, 2024, at 9:45 a.m.

**1. Date of hearing**

The application for the interim order is without notice and will be heard on May 29, 2024.

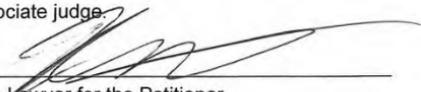
**2. Duration of hearing**

The hearing will take 10 minutes.

**3. Jurisdiction**

This matter is within the jurisdiction of an associate judge.

Dated: May 24, 2024

  
\_\_\_\_\_  
Lawyer for the Petitioner  
Rajit Mittal



SE 243451  
No. \_\_\_\_\_  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CLOUDMD SOFTWARE &  
SERVICES INC. AND 1480775 B.C. LTD.

**CLOUDMD SOFTWARE & SERVICES INC.**

PETITIONER

**PETITION TO THE COURT**

**This proceeding has been started by the petitioner for the relief set out in Part 1 below.**

The address of the registry is: Vancouver Law Courts – 800 Smithe Street, Vancouver, BC V6Z 2E1

The petitioner estimates that the hearing of the petition will take 20 minutes.

- This matter is an application for judicial review.
- This matter is not an application for judicial review.

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner
  - (i) 2 copies of the filed response to petition, and
  - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

**Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.**

**Time for response to petition**

A response to petition must be filed and served on the petitioner,

- (a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or
- (d) if the time for response has been set by order of the court, within that time.

|     |  |  |
|-----|--|--|
|     | The address of the registry is:                            | 800 Smithe Street<br>Vancouver, BC V6Z 2E1   |
| (2) | The ADDRESS FOR SERVICE of the petitioner is:              | Cassels Brock & Blackwell LLP<br>885 West Georgia St., Vancouver,<br>British Columbia, V6C 3E8<br>Attention: Rajit Mittal<br>Telephone: 778.309.7940<br>Email: rmittal@cassels.com |
|     | E-mail address for service (if any) of the petitioner:     | N/A  |
| (3) | The name and office address of the petitioner's lawyer is: | Cassels Brock & Blackwell LLP<br>885 West Georgia St., Vancouver,<br>British Columbia, V6C 3E8<br>Attention: Rajit Mittal<br>Telephone: 778.309.7940                               |

### CLAIM OF THE PETITIONER

#### PART 1: ORDERS SOUGHT

1. The Petitioner, CloudMD Software & Services Inc. ("**CloudMD**" or the "**Company**"), applies to this Court pursuant to sections 288 and 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended or superseded (the "**BCBCA**"), Rules 16-1, 4-4, 4-5 and 2-1(2)(b) of the *Supreme Court Civil Rules* and the inherent jurisdiction of this Court for:
  - (a) an interim order (the "**Interim Order**") in the form attached as **Schedule "A"** to this Petition to the Court;
  - (b) an order (the "**Final Order**") in the form attached as **Schedule "B"** to this Petition to the Court; and
  - (c) such further and other relief as counsel may advise and this Court deems just.

## **PART 2: FACTUAL BASIS**

2. Unless otherwise defined herein, capitalized terms in this Petition to the Court have the same meanings as defined in the draft management information circular of CloudMD (the "**Circular**"), which is attached as Exhibit "A" to the Affidavit #1 of Graeme McPhail affirmed May 24, 2024.

### **Parties To the Arrangement**

#### **A. CloudMD Software & Services Inc.**

3. CloudMD is incorporated pursuant to the laws of British Columbia. Its registered and records office is at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3EH. Its head office is at 181 University Avenue, Suite 1101, Toronto, Ontario, M5H 3M7.
4. The authorized capital of the Company consists of an unlimited number of common shares without par value.
5. The Company is a reporting issuer in each of the Provinces of Canada. The shares of the Company are currently listed and traded on the TSXV under the symbol "DOC", quoted on the OTCQX under the symbol "DOCRF", and quoted on the FSE under the symbol "6PH".
6. CloudMD is an innovative North American health services company transforming the delivery of care by combining leading edge technology with a network of healthcare professionals.

#### **B. 1480775 B.C. Ltd.**

7. 1480775 B.C. Ltd. ("**Purchaser**") is a corporation incorporated pursuant to the laws of British Columbia.
8. The Purchaser is an affiliate of CPS Capital LP ("**CPS**"), a private equity investment firm based in Toronto, Ontario. CPS has acquired twenty-eight (28) businesses since its founding in 2013 with more than \$170 million in committed capital under management.
9. CPS, through the Purchaser, proposes to acquire CloudMD as described herein.

### **Overview of the Arrangement**

10. CloudMD and the Purchaser have entered into an arrangement agreement dated as of May 14, 2024 (the "**Arrangement Agreement**") pursuant to which the Purchaser will acquire all of the issues and outstanding common shares of CloudMD ("**Company Shares**") by way of a court approved statutory plan of arrangement (the "**Arrangement**") under Section 288 of the BCBCA.

11. The proposed plan of arrangement (the "**Plan of Arrangement**") is attached as Appendix "A" to the draft Final Order, which is attached as Schedule "B" to this Petition to the Court.
12. The effect of the Arrangement, if completed, is that: (i) the Purchaser will acquire all of the Company Shares for cash consideration of \$0.04 per Company Share (the "**Consideration**"); (ii) outstanding options to purchase Company Shares ("**Company Options**") will be transferred to the Company and terminated and will be of no force and effect in exchange for a cash payment equal to the amount (if any) by which the Consideration exceeds the exercise price of such Company Option, and for greater certainty, where such amount is zero or negative, none of the Company or the Purchaser will be obligated to pay any amount in respect of such Company Option; (iii) restricted share units ("**Company RSUs**") and deferred share units ("**Company DSUs**") will be transferred to the Company and terminated and will be of no further force and effect, all in exchange for a cash payment equal to the Consideration; and (iv) the Company and the Purchaser will amalgamate to form one corporate entity, Amalco, and continue as one company under the BCBCA, in each case, in accordance with the terms of the Arrangement.
13. The Arrangement is subject to obtaining the necessary approvals, including the approval of the holders of Company Shares ("**Company Shareholders**") and the holders of Company Options ("**Company Optionholders**", and collectively with Company Shareholders, "**Company Securityholders**") at the special meeting of Company Securityholders (the "**Meeting**") to be held virtually by live webcast on June 27, 2024 at 10:00 a.m. (Toronto Time).
14. In order for the Arrangement to become effective, the Arrangement must be approved, with or without variation, by a special resolution substantially in the form attached as Appendix "A" to the Circular (the "**Arrangement Resolution**") by at least: (i) two-thirds (66⅔%) of the votes cast at the Meeting by the Company Shareholders present or represented by proxy at the Meeting; (ii) two-thirds (66⅔%) of the votes cast at the Meeting by Company Securityholders, collectively voting as a single class, present or represented by proxy at the Meeting; and (iii) a simple majority of the votes cast by the Company Shareholders present or represented by proxy at the Meeting, excluding the Company Shares required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").
15. If the Arrangement is approved, at the Effective Time, the following shall be deemed to occur sequentially in the following order in connection with the Arrangement:
  - (a) each outstanding Company Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens), and:

- (i) such Dissenting Shareholder shall cease to have any rights as a Company Shareholder other than the right to be paid the fair value of its Company Shares by the Purchaser;
  - (ii) the name of such Dissenting Shareholder shall be removed from the register of holders of Company Shares maintained by or on behalf of the Company; and
  - (iii) the Purchaser shall be recorded on the register of holders of Company Shares maintained by or on behalf of the Company as the holder of such Company Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens);
- (b) each outstanding Company Share (other than Shares held by any Dissenting Shareholder who has validly exercised such holder's Dissent Rights) shall be transferred without any further act or formality by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, and
  - (i) the holder of such Company Share shall cease to have any rights as a Company Shareholder other than the right to be paid the Consideration in accordance with the Plan of Arrangement;
  - (ii) the name of such holder shall be removed from the register of holders of Company Shares maintained by or on behalf of the Company; and
  - (iii) the Purchaser shall be recorded on the register of holders of Company Shares maintained by or on behalf of the Company as the holder of the Company Shares so transferred and shall be deemed to be the legal and beneficial owner thereof (free and clear of all Liens);
- (c) each Company Option, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable Option Agreement in relation thereto, shall be deemed to be unconditionally vested and exercisable, and such Company Option shall be, without any further action by or on behalf of the holder of such Company Option, surrendered by the holder thereof to the Company (free and clear of all Liens) in exchange for a cash payment equal to the amount (if any) by which the Consideration exceeds the exercise price of such Company Option, and such Company Option shall immediately be cancelled and, for greater certainty, where such amount is zero or negative, none of the Company, the Depositary or the Purchaser shall be obligated to pay such Company Optionholder any amount in respect of such Company Option;
- (d) concurrently with the step described immediately above, (i) each Company Optionholder shall cease to be a holder of such Company Options, (ii) each such Company Optionholder's name shall be removed from the applicable register maintained by the Company, (iii) all Option Agreements shall be terminated and shall be of no further force and effect, and (iv) each such Company Optionholder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to the paragraph immediately above;

- (e) each Company DSU that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any agreement in relation to such Company DSU, shall be, without any further action by or on behalf of the holder of such Company DSU, deemed to be assigned and transferred by such holder to the Company (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such Company DSU shall be immediately cancelled;
- (f) concurrently with the step described immediately above, (i) each holder of Company DSUs shall cease to be a holder of such Company DSUs, (ii) each such holder's name shall be removed from the applicable register maintained by the Company, (iii) all agreements relating to the Company DSUs shall be terminated and shall be of no further force and effect, and (iv) each such holder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to the paragraph immediately above;
- (g) each Company RSU, whether vested or unvested, that is outstanding immediately prior to the Effective Time, notwithstanding the terms of the Incentive Plan or any applicable RSU Agreement in relation thereto, shall be deemed to be unconditionally vested, and such Company RSU shall be, without any further action by or on behalf of the holder of such Company RSU, deemed to be assigned and transferred by such holder to the Company (free and clear of all Liens) in exchange for a cash payment equal to the Consideration, and such Company RSU shall be immediately cancelled;
- (h) concurrently with the step described immediately above, (i) each holder of Company RSUs shall cease to be a holder of such Company RSUs, (ii) each such holder's name shall be removed from the applicable register maintained by the Company, (iii) the Incentive Plan and all RSU Agreements shall be terminated and shall be of no further force and effect, and (iv) each such holder shall thereafter have only the right to receive the consideration to which they were entitled to receive pursuant to **Error! Reference source not found.**the paragraph immediately above;
- (i) the Company Shares shall be deemed to be de-listed from the TSXV and the Company shall make, and shall be deemed to have made, an election to cease to be a "public corporation" under subsection 89(1) of the Tax Act; and
- (j) the Company and the Purchaser will amalgamate to form one corporate entity, Amalco, with the same effect as if they had amalgamated under Section 276 of the BCBCA and Amalco will continue as one company under the BCBCA.

#### **Background and Reasons for the Arrangement**

- 16. The background to the Arrangement and its business rationales are described in detail at pages 27-45 of the Circular.
- 17. The Arrangement Agreement is the result of arm's length negotiations among, on the one hand, representatives of the Company and, on the other hand, the Purchaser, and their respective financial and legal advisors.

18. The Company's board of directors (the "**Board**") appointed a special committee (the "**Special Committee**") to, among other things:
  - (a) review, assess and respond to expressions of interest from any party or parties to:  
(a) acquire control of the Company by way of an offer to acquire outstanding shares of the Company or otherwise; (b) acquire all or substantially all of the Company's assets; (c) effect any merger, amalgamation, plan of arrangement, reorganization or other business combination pursuant to which the assets and business of the Company are combined with one or more other persons; or (d) effect a transaction involving the issue by the Company to one or more other persons of securities of the Company in numbers sufficient to constitute an acquisition of control of the Company;
  - (b) establish, supervise and manage a process that it considers necessary or advisable to identify, evaluate and consider potential improvements to any acquisition proposal or any alternatives to any acquisition proposal;
  - (c) establish, supervise and manage a process that it considers necessary or advisable to identify, evaluate and consider alternatives to any acquisition proposal;
  - (d) negotiate the terms of any acquisition proposal;
  - (e) make recommendations to the Board in respect of any acquisition proposal and matters that the Special Committee considers to be relevant in response to any acquisition proposal, including with respect to the recommendation that the Board should make to the shareholders of the Company in respect of any acquisition proposal and reasons for making such recommendations; and
  - (f) take such actions in connection with the foregoing as in its opinion are necessary or desirable in the discharge of its responsibilities.
19. Each member of the Special Committee is "independent" of the Company within the meaning of National Instrument 52-110 – *Audit Committees* and is independent of the Purchaser and its affiliates.
20. The Special Committee unanimously determined that the Arrangement is fair to the Company Securityholders and that the Arrangement is in the best interests of the Company. Accordingly, the Special Committee unanimously recommended that the Board recommend that the Company Securityholders approve the Arrangement and that the Board approve the Arrangement Agreement and the Plan of Arrangement.
21. The Company's Board then considered the Special Committee's recommendation and the above-noted factors and unanimously determined (with Ms. Karen Adams having abstained due to her entitlement to receive a "collateral benefit" within the meaning of MI 61-101) that the Plan of Arrangement is fair and reasonable to the Company Securityholders and in the best interests of the Company. Accordingly, the Company's Board has unanimously approved the Arrangement and the entering into of the

Arrangement Agreement by the Company, and unanimously recommended that the Company Securityholders vote for the Arrangement Resolution.

22. The Special Committee and the Board reviewed and considered a significant amount of information and considered a number of factors relating to the Arrangement, including the Fairness Opinion, with the benefit of advice from the Company's senior management and the Company's legal advisors. In addition to the foregoing, the following is a summary of the principal reasons for the unanimous recommendation of the Company's Board that the Company Securityholders vote in favour of the Arrangement Resolution:
- (a) **Process:** The Arrangement with the Purchaser is the culmination of a process that included a strategic review that was initiated in August 2022 and overseen by a special committee and the strategic and liquidity review that the Special Committee has been engaged in since July 2023, with the assistance of its financial advisor INFOR Financial Inc. (the "**Financial Advisor**"). During that time, the Company, through its advisors, canvassed numerous other potential parties, none of which were prepared to make a binding offer to acquire the Company. The Arrangement provides the capital to support the Company's business with specific consideration to all of the Company's stakeholders and was the best alternative available to ensure the ongoing viability of the Company. If the Arrangement is not completed, the Company does not expect that there will be an alternative that would provide any value to the Company Shareholders;
  - (b) **Business and Industry Risks:** The Board and the Special Committee concluded that the Consideration provides certainty of value to Company Securityholders, which Company Securityholders may consider as more favourable than continuing with the Company's current business plan, in light of the risks and uncertainties affecting the Company and its business. These risks and uncertainties include: the current business, operations, assets, financial performance and condition, operating results and prospects of the Company, the outstanding indebtedness under the Credit Facilities, its limited cash resources, the current industry and economic conditions and trends;
  - (c) **Fairness Opinion:** The Fairness Opinion from the Financial Advisor that, subject to and based on the considerations, qualifications, assumptions and limitations described therein, the Consideration to be received by Company Shareholders is fair, from a financial point of view, to the Company Shareholders. The full text of the Fairness Opinion is appended as Appendix C to the Circular;
  - (d) **Acceptance by Directors and Officers:** Pursuant to voting and support agreements, the directors and officers of the Company have agreed to vote all of their Company Shares and Company Options in favour of the Arrangement Resolution;
  - (e) **Form of Consideration:** The form of consideration payable to Company Securityholders, being cash, provides certainty of value and immediate liquidity;
  - (f) **Credibility of the Guarantors:** The Guarantors' commitment, credit worthiness and record of completing transactions and the fact that the Purchaser's obligations, including its obligation to pay the Consideration and the Payout Amount, have

been guaranteed by the Guarantors. The Guarantors are expected to be better able to withstand costs, payments, fees and other expenses, in part as a result of their financial position and access to capital;

- (g) **Ability to Respond to Unsolicited Superior Proposals:** On and subject to the terms of the Arrangement Agreement, the Board will remain able to respond to any unsolicited *bona fide* written Acquisition Proposal that, having regard for all of its terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to Company Securityholders from a financial point of view than the Arrangement and the fact that the amount of the Company Termination Fee payable in certain circumstances, being \$3,000,000, would not, in the view of the Board and the Special Committee, after consultation with their legal and financial advisors, preclude a third party from potentially making a Superior Proposal;
- (h) **Negotiated Transaction:** The Arrangement Agreement was the result of a comprehensive negotiation process with respect to the key elements of the Arrangement Agreement and Plan of Arrangement, which includes terms and conditions that are reasonable in the judgment of the Special Committee and the Board;
- (i) **Fairness of the Conditions:** The Arrangement Agreement provides for certain conditions to complete the Plan of Arrangement, which conditions are not unduly onerous or outside market practice and could reasonably be expected to be satisfied;
- (j) **No Financing Condition:** The Purchaser's obligation to pay the aggregate Consideration and the Payout Amount is not subject to a financing condition;
- (k) **Securityholder Approval:** The Arrangement Resolution must be approved by an affirmative vote of at least: (i) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by the Shareholders; (ii) 66⅔% of the votes cast at the Meeting in person (virtually) or by proxy by Company Shareholders and Company Optionholders, voting together as a single class; and (iii) a simple majority of the votes cast at the Meeting in person (virtually) or by proxy by the Company Shareholders, excluding the Excluded Shares in accordance with MI 61-101;
- (l) **Regulatory Approval:** The Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Company Securityholders; and
- (m) **Dissent Rights:** The terms of the Arrangement provide that Registered Shareholders who oppose the Arrangement may, upon compliance with certain conditions, exercise Dissent Rights and, if ultimately successful, receive fair value for their Shares (as described in the Plan of Arrangement).

#### **No Compromise of Debt**

- 23. The Arrangement does not contemplate a compromise of any debt or any debt instruments of the Company and no creditor of the Company will be materially affected by the Arrangement.

**Dissent Rights**

24. The Plan of Arrangement provides Company Shareholders with the right to dissent in respect of the special resolution to approve the Arrangement.
25. Any Registered Company Shareholders who dissent from the Arrangement Resolution in accordance with sections 237 to 247 of the BCBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order, will be entitled to be paid by the Company the fair value of the Company Shares held by such Company Shareholders determined as at the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution is approved by the Company Shareholders. The Dissent Rights with respect to the Arrangement must be strictly complied with in order for Registered Company Shareholders to receive cash representing the fair value of Company Shares held.

**Interest of Certain Persons**

26. To the knowledge of the directors and executive officers of the Company, as of the Record Date, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, Company Shares carrying 10% or more of the voting rights of Company Shareholders at the Meeting, or Company Shares and Company Options that collectively will carry 10% or more of the voting rights of Company Securityholders at the Meeting.
27. Karen Adams, the Chief Executive Officer and a director of the Company, abstained from voting on the approval of the Arrangement and the entering into of the Arrangement Agreement by the Company due to her entitlement to receive a "collateral benefit" within the meaning of MI 61-101 in connection with the Arrangement.

**PART 3: LEGAL BASIS**

28. Sections 288-291 of the BCBCA, as amended;
29. Supreme Court Civil Rules 2-1(2)(b); 4-4, 4-5, 8-1 and 16-1; and
30. The inherent jurisdiction of this Honourable Court.

**PART 4: MATERIAL TO BE RELIED ON**

31. The Affidavit #1 of Graeme McPhail affirmed May 24, 2024.
32. Such further and other materials as counsel may advise.

Dated: May 27, 2024

  
\_\_\_\_\_  
Signature of lawyer for the Petitioner  
Rajit Mittal

***To be completed by the court only:***

Order made

in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this notice of this petition

with the following variations and additional terms:

Date: \_\_\_\_\_

Signature of  Judge  Master

**Schedule "A"**

**INTERIM ORDER**



**Securityholders**") to be held via live available online through the Lumi platform, at 10:00 a.m. (Toronto Time) on June 27, 2024, or such other date as CloudMD and the Purchaser may agree, to, among other things:

- (a) consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") of the Company Securityholders approving the Arrangement under Division 5 of Part 9 of the BCBCA, the full text of which is set forth in Appendix "A" to the Circular; and
  - (b) transact such further or other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof.
3. The Meeting shall be called, held and conducted in accordance with the BCBCA, the articles of CloudMD, and the Circular, subject to the terms of this Interim Order, and any further order of this Court, and the rulings and directions of the chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

#### **ADJOURNMENT**

4. Notwithstanding the provisions of the BCBCA and the articles of CloudMD, and subject to the terms of the Arrangement Agreement, CloudMD, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Company Securityholders respecting such adjournment or postponement and without the need for approval of the Court. Subject to the terms of the Arrangement Agreement, notice of any such adjournments or postponements shall be given by news release, newspaper advertisement, or by notice sent to the Company Securityholders by one of the methods specified in paragraph 9 of this Interim Order, as determined to be the most appropriate method of communication by the board of directors of CloudMD.
5. The Record Date (as defined in paragraph 7 below) shall not change in respect of any adjournments or postponements of the Meeting, unless CloudMD determines that it is advisable, and subject to the consent of the Purchaser acting reasonably.

#### **AMENDMENTS**

6. Prior to the Meeting, CloudMD is authorized to make such amendments, revisions or supplements to the proposed Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Circular, without any additional notice to the Company Securityholders or further orders of this Court, and the Arrangement, Plan of Arrangement, Arrangement Agreement and Circular as so amended, revised and supplemented shall be the Arrangement and Plan of Arrangement submitted to the Company Securityholders for the Meeting and, as applicable, subject to the Arrangement Resolution.

#### **RECORD DATE**

7. The record date for determining the Company Securityholders entitled to receive notice of, attend at and vote at the Meeting shall be the close of business in Vancouver, British Columbia on May 23, 2024, or such other date as may be agreed to by CloudMD and the Purchaser (the "**Record Date**").

## NOTICE OF MEETING

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and CloudMD shall not be required to send to the Company Securityholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.
9. The Circular and the Notice of Petition, in substantially the same forms as contained in Exhibits "A" and "B" to the McPhail Affidavit (collectively referred to as the "**Notice Materials**"), and in the case of the Company Securityholders, the forms of proxy, voting information form, and letter of transmittal, in substantially the same forms as contained in Exhibit "C" to the McPhail Affidavit (together with the Notice Materials, the "**Meeting Materials**"), with such deletions, amendments or additions thereto as counsel for CloudMD may advise are necessary or desirable, provided that such deletions, amendments or additions are not inconsistent with the terms of this Interim Order, shall be sent to:
  - (a) the registered Company Securityholders as they appear on the central securities register of CloudMD or the records of its registrar and transfer agent as at the close of business on the Record Date at least 21 days prior to the date of the Meeting, excluding the date of commencement of mailing, delivery or transmittal, by one or more of the following methods:
    - (i) by prepaid ordinary or air mail addressed to the registered Company Securityholders at their addresses as they appear in the applicable records of CloudMD or its registrar and transfer agent, as at the Record Date;
    - (ii) by delivery in person or by courier to the addresses specified in subparagraph (i) above; or
    - (iii) by email or facsimile transmission to any registered Company Securityholders, who has previously identified himself, herself or itself to the satisfaction of CloudMD, acting through its representatives, and who requests such email or facsimile transmission; and
  - (b) the non-registered Company Shareholders by providing, in accordance with National Instrument 54-101 — *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators ("**NI 54-101**"), the requisite number of copies of the Meeting Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to the beneficial owners of Company Shares in accordance with NI 54-101;
  - (c) the directors and auditors of CloudMD by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal; and

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting and delivery of the Meeting Materials.

10. The Notice Materials shall be sent by prepaid ordinary mail or by email transmission to the holders of outstanding deferred share units ("**Company DSUs**"), and holders of outstanding restricted share units ("**Company RSUs**"), to the address of such holder as it appears in the applicable records of CloudMD at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal.
11. Accidental failure of or omission by CloudMD to give notice to any one or more persons entitled thereto, or the non-receipt of such notice by one or more persons entitled thereto, or any failure or omission to give such notice as a result of events beyond the reasonable control of CloudMD (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of CloudMD, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
12. Provided that notice of the Meeting is given, the Meeting Materials are made available to Company Securityholders, and in each case to other persons entitled to be provided such materials in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived and no other form of service of the Meeting Materials or any portion thereof need be made or notice given, or other material served in respect of these proceedings or the Meeting, except to the extent required by paragraph 9 above or as may be directed by a further order of this Court.

#### **DEEMED RECEIPT OF NOTICE**

13. The Notice Materials and Meeting Materials (and any amendments, modifications, updates or supplements to the Notice Materials or Meeting Materials and any notice of adjournment or postponement of the Meeting) shall be deemed, for the purposes of this Interim Order, to have been served upon and received:
  - (a) in the case of mailing pursuant to paragraphs 9(a)(i), 9(c), and 10 above, the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
  - (b) in the case of delivery in person pursuant to paragraph 9(a)(ii) above, the day following personal delivery or, in the case of delivery by courier, the day following delivery to the person's address in paragraph 9 above;
  - (c) in the case of any means of transmitted, recorded or electronic communication pursuant to paragraphs 9(a)(iii), 9(c), and 10 above, when dispatched or delivered for dispatch; and
  - (d) in the case of delivery to clearing agencies or intermediaries for onward distribution pursuant to paragraph 9(b) above, the day following delivery to clearing agencies or intermediaries.

#### **UPDATING MEETING MATERIALS**

14. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Company Securityholders by press release, news release, newspaper

advertisement or by notice sent to the Company Securityholders by any of the means set forth in paragraph 9, as determined to be the most appropriate method of communication by the board of directors of CloudMD.

#### **QUORUM AND VOTING**

15. The quorum required at the Meeting shall be two (2) persons, present in person or by proxy, being Company Shareholders entitled to vote at the Meeting, and who hold at least five percent (5%) of the issued and outstanding Company Shares entitled to vote at the Meeting.
16. Each Company Securityholder is entitled to one vote for each Company Share or Company Option, as applicable.
17. The vote required to pass the Arrangement Resolution shall be the affirmative vote of at least: (i) two-thirds (66⅔%) of the votes cast at the Meeting by the Company Shareholders present or represented by proxy at the Meeting; (ii) two-thirds (66⅔%) of the votes cast at the Meeting by Company Securityholders, collectively voting as a single class, present or represented by proxy at the Meeting; and (iii) a simple majority of the votes cast by the Company Shareholders present or represented by proxy at the Meeting, excluding the Company Shares required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

#### **PERMITTED ATTENDEES**

18. The only persons entitled to attend the Meeting shall be (i) the registered Company Securityholders as of the close of business in Vancouver, British Columbia on the Record Date, or their respective proxyholders, (ii) the Company's directors, officers, auditors and advisors, (iii) representatives of the Company, including any of their respective directors, officers and advisors, and (iv) any other person admitted on the invitation of the chair of the Meeting or with the consent of the chair of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered Company Securityholders as at the close of business on the Record Date, or their respective proxyholders.

#### **SCRUTINEERS**

19. Representatives of CloudMD's registrar and transfer agent (or any agent thereof) are authorized to act as scrutineers for the Meeting.

#### **SOLICITATION OF PROXIES**

20. CloudMD is authorized to use the forms of proxy (in substantially the same forms as attached as Exhibit "C" to the McPhail Affidavit) in connection with the Meeting, subject to CloudMD's ability to insert dates and other relevant information in the form and, subject to the Arrangement Agreement, with such amendments, revisions or supplemental information as CloudMD may determine are necessary or desirable. CloudMD is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

21. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials. The chair of the Meeting may in his or her discretion, without notice, waive or extend the time limits for the deposit of proxies by the Company's Securityholders if he or she deems it advisable to do so, such waiver or extension to be endorsed on the proxy by the initials of the chair of the Meeting.

#### DISSENT RIGHTS

22. The Plan of Arrangement provides registered Company Shareholders with the right to dissent in respect of the Arrangement Resolution. Registered Company Shareholders who validly exercise the right to dissent will be entitled to be paid by CloudMD the fair value of the Company Shares held by such registered Company Shareholders determined as at the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution is approved by the Company Securityholders.
23. A Dissenting Shareholder must dissent with respect to all Company Shares in which the holder owns a beneficial interest. A registered Company Shareholder who wishes to dissent to the Arrangement Resolution must deliver written notice of dissent (a "**Notice of Dissent**") to the Company c/o Cassels Brock & Blackwell LLP, Attn: Lindsay Clements at Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario M5H 0B4 Canada by 5:00 p.m. (Vancouver time) on or before June 25, 2024, or by 5:00 p.m. (Vancouver time) on the Business Day that is two Business Days immediately preceding the Meeting if it is not held on June 27, 2024, and such Notice of Dissent must strictly comply with the requirements of section 242 of the BCBCA. Any failure by a registered Company Shareholder to fully comply may result in the loss of that holder's Dissent Rights with respect to the Arrangement.
24. The delivery of a Notice of Dissent does not deprive a Dissenting Shareholder of the right to vote at the Meeting on the Arrangement Resolution; however, a Dissenting Shareholder is not entitled to exercise the Dissent Rights with respect to the Arrangement with respect to any of his or her Company Shares if the Dissenting Shareholder votes in favour of the Arrangement Resolution. A vote against the Arrangement Resolution, whether virtually or in person, as the case may be, or by proxy, does not constitute a Notice of Dissent.

#### APPLICATION FOR FINAL ORDER

25. Upon the approval, with or without variation, by the Company Securityholders of the Arrangement Resolution, in the manner set forth in this Interim Order, CloudMD may apply to this Court for, inter alia, an order:
  - (a) pursuant to s. 291(4)(a) of the BCBCA, approving the Arrangement; and
  - (b) pursuant to s. 291(4)(c) of the BCBCA, declaring that the terms and conditions of the Arrangement, and the distribution of securities to be effected by the Arrangement, are procedurally and substantively fair and reasonable  
  
(collectively, the "**Final Order**"),

and the hearing of the Final Order shall be held in person at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. (Vancouver time) on July 3, 2024, or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as this Court may direct.

26. The form of Notice of Petition in connection with the Final Order attached to the McPhail Affidavit as Exhibit "B" is hereby approved as the form of Notice of Proceedings for such approval. Any Company Securityholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to the terms of this Interim Order.
27. Any Company Securityholder seeking to appear at the hearing of the application for the Final Order must file and deliver a Response to Petition (a "**Response**") in the form prescribed by the Supreme Court Civil Rules, and a copy of all affidavits or other materials upon which they intend to rely, to the Petitioner's solicitors at:

CASELS, BROCK & BLACKWELL LLP  
Barristers and Solicitors  
2200 - 885 West Georgia St.  
Vancouver, British Columbia, Canada V6C 3E8  
Attention: Rajit Mittal

Fax number for delivery: (604) 691-6120

Telephone: (778) 309-7940

by or before 4:00 p.m. (Vancouver time) on the date that is two Business Days prior to the date of the hearing of the application for the Final Order.

28. Sending the Notice of Petition in connection with the Final Order and this Interim Order in accordance with paragraphs 9 and 10 of this Interim Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings, except as provided in paragraphs 29 and 30 below. In particular, service of the Petition, the McPhail Affidavit, and additional affidavits as may be filed, is dispensed with.
29. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for the Purchaser and any persons who have delivered a Response in accordance with this Interim Order.
30. In the event the hearing for the Final Order is adjourned, only the solicitors for the Purchaser and those persons who have filed and delivered a Response in accordance with this Interim Order need be provided with notice of the adjourned hearing date and any filed materials.

#### **VARIANCE**

31. The Petitioner shall, subject to the terms of the Arrangement Agreement, be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

32. To the extent of any inconsistency or discrepancy between this Interim Order and the Circular, the BCBCA, applicable Securities Laws or the articles of CloudMD, this Interim Order shall govern.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

\_\_\_\_\_  
Signature of Lawyer for CloudMD Software &  
Services Inc.  
Rajit Mittal

By the Court

\_\_\_\_\_  
Registrar

No.  
Vancouver Registry

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**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE *BUSINESS  
CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57,  
AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CLOUDMD SOFTWARE &  
SERVICES INC. AND 1480775 B.C. LTD.

**CLOUDMD SOFTWARE & SERVICES INC.**

PETITIONER

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**ORDER MADE AFTER APPLICATION  
(Interim Order)**

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**CASSELS BROCK & BLACKWELL LLP**

Lawyers  
2200 – 885 West Georgia Street  
Vancouver, B.C. V6C 3E8  
Telephone: (778) 309-7940  
E-mail: [rmittal@cassels.com](mailto:rmittal@cassels.com)  
Attention: Rajit Mittal

Matter# 056479-00022

**FILING AGENT: WEST COAST TITLE SEARCH**

**Schedule "B"**

**FINAL ORDER**



arrangement (the "**Plan of Arrangement**"), a copy of which is attached hereto as Schedule "A", and the issuance of securities contemplated therein, is substantively and procedurally fair and reasonable to the Company Securityholders;

2. The Arrangement as provided for in the Plan of Arrangement be and hereby is approved pursuant to the provisions of s. 291(4)(a) of the BCBCA; and
3. CloudMD and 1480775 B.C. Ltd. shall be at liberty to seek the advice and direction of this Court as to the implementation of this Order or to apply for such further order or orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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Signature of lawyer for the Petitioner  
Rajit Mittal

By the Court

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Registrar

**SCHEDULE "A"**

No. S-238584  
Vancouver Registry

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**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE *BUSINESS  
CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57,  
AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING CLOUDMD SOFTWARE &  
SERVICES INC. AND 1480775 B.C. LTD.

**CLOUDMD SOFTWARE & SERVICES INC.**

PETITIONER

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**ORDER MADE AFTER APPLICATION  
(Final Order)**

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**CASELS BROCK & BLACKWELL LLP**  
Lawyers  
2200 – 885 West Georgia Street  
Vancouver, B.C. V6C 3E8  
Telephone: (778) 309-7940  
E-mail: [rmittal@casels.com](mailto:rmittal@casels.com)  
Attention: Rajit Mittal

Matter# 056479-00022

**FILING AGENT: WEST COAST TITLE SEARCH**

**APPENDIX F  
DISSENT PROVISIONS**

**SECTIONS 237 TO 247 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**

**Definitions and application**

237 (1) In this Division:

“**dissenter**” means a Shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a Shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

**Right to dissent**

238 (1) A Shareholder of a company, whether or not the Shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
  - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
  - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company’s community purposes within the meaning of section 51.91; or
  - (iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company’s benefit provision;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
  - (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
  - (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
  - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
  - (g) in respect of any other resolution, if dissent is authorized by the resolution;
  - (h) in respect of any court order that permits dissent.
- (2) A Shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
    - (i) the Shareholder, if the Shareholder is dissenting on the Shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the Shareholder's name and on whose behalf the Shareholder is dissenting,
  - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
  - (c) dissent with respect to all of the shares, registered in the Shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
  - (b) cause each Shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

**Waiver of right to dissent**

- 239 (1) A Shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A Shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
    - (i) the Shareholder, if the Shareholder is providing a waiver on the Shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the Shareholder's name and on whose behalf the Shareholder is providing a waiver, and
  - (b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a Shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the Shareholder's own behalf, the Shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the Shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the Shareholder in respect of the shares of which the Shareholder is both the registered owner and the beneficial owner, and
- (b) any other Shareholders, who are registered owners of shares beneficially owned by the first mentioned Shareholder, in respect of the shares that are beneficially owned by the first mentioned Shareholder.

(4) If a Shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the Shareholder, the right of Shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those Shareholders in respect of the shares that are beneficially owned by that specified person.

**Notice of resolution**

240 (1) If a resolution in respect of which a Shareholder is entitled to dissent is to be considered at a meeting of Shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its Shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a Shareholder is entitled to dissent is to be passed as a consent resolution of Shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its Shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a Shareholder is entitled to dissent was or is to be passed as a resolution of Shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its Shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the Shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a Shareholder a right to vote in a meeting at which, or on a resolution on which, the Shareholder would not otherwise be entitled to vote.

### Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each Shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

### Notice of dissent

242 (1) A Shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
  - (i) the date on which the Shareholder learns that the resolution was passed, and
  - (ii) the date on which the Shareholder learns that the Shareholder is entitled to dissent.

(2) A Shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2) (b) or (3)(b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A Shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the Shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the Shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the Shareholder is both the registered owner and beneficial owner and the Shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

- (b) if the notice shares constitute all of the shares of which the Shareholder is both the registered owner and beneficial owner but the Shareholder owns other shares of the company as beneficial owner, a statement to that effect and
  - (i) the names of the registered owners of those other shares,
  - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
  - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
  - (c) if dissent is being exercised by the Shareholder on behalf of a beneficial owner who is not the dissenting Shareholder, a statement to that effect and
    - (i) the name and address of the beneficial owner, and
    - (ii) a statement that the Shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the Shareholder's name.

(5) The right of a Shareholder to dissent on behalf of a beneficial owner of shares, including the Shareholder, terminates and this Division ceases to apply to the Shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

**Notice of intention to proceed**

- 243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
    - (i) the date on which the company forms the intention to proceed, and
    - (ii) the date on which the notice of dissent was received, or
  - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1)(a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

**Completion of dissent**

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and

- (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)(c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
  - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
    - (i) the names of the registered owners of those other shares,
    - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
    - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
  - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every Shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of Shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those Shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a Shareholder, in respect of the notice shares, other than under this Division.

#### **Payment for notice shares**

- 245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
  - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
  - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and

- (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
  - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
  - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its Shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
  - (b) the payment would render the company insolvent.

#### **Loss of right to dissent**

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a Shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division



**QUESTIONS MAY BE DIRECTED TO THE  
PROXY SOLICITATION AGENT**



**North America Toll Free:  
1.877.452.7184**

**Collect Calls Outside North America:  
1.416.304.0211**

**Email:  
[assistance@laurelhill.com](mailto:assistance@laurelhill.com)**