THE WESTAIM CORPORATION

NOTICE OF SPECIAL MEETING

and

NOTICE OF ORIGINATING APPLICATION TO THE COURT OF KING'S BENCH OF ALBERTA

and

MANAGEMENT INFORMATION CIRCULAR

FOR A SPECIAL MEETING
TO BE HELD ON DECEMBER 19, 2024

NOVEMBER 19, 2024

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LETTER TO WESTAIM SHAREHOLDERS

November 19, 2024

Dear Shareholders of The Westaim Corporation (the "**Company**"),

You are invited to attend the special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of the Company to be held at Vantage Venues, 150 King Street West, 27th Floor, Toronto, ON M5H 1J9, on December 19, 2024 at 9:00 a.m. (Eastern time). In the notice of special meeting of shareholders ("**Notice of Meeting**") and the management information circular (the "**Information Circular**") accompanying this letter, you will find important information and instructions about how to participate at the Meeting.

The CC Capital Transaction

On October 9, 2024, the Company, Wembley Group Partners, LP (the "**Investor**"), and, solely for purposes of specific sections of the investment agreement, Arena Investors Group Holdings, LLC ("**Arena**"), Daniel Zwirn and Lawrence Cutler, entered into an investment agreement (as amended on November 15, 2024 and as may be further amended, supplemented or otherwise modified from time to time, the "**Investment Agreement**"), pursuant to which, among other transactions, the Investor, an affiliate of CC Capital Partners, LLC ("**CC Capital**"), agreed to make a US$250 million strategic investment in the Company via a private placement offering (the "**Private Placement**") to acquire Common Shares and warrants to purchase additional Common Shares (the "**Warrants**"). Pursuant to the Investment Agreement, the Investor agreed to purchase (a) 71,878,947 Common Shares having an implied purchase price of C$4.75 per share in cash and (b) Warrants to purchase 31,288,228 additional Common Shares, comprised of (i) Warrants to purchase 7,822,057 Common Shares having an exercise price of C$4.02 per Common Share, which Warrants will vest in the event the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange ("**TSXV**") or other stock exchange on which the Common Shares are listed for trading equals or exceeds C$8.00 (subject to certain adjustments) for any 30 consecutive trading day period prior to the five-year anniversary of the closing of the Private Placement and (ii) Warrants to purchase 23,466,171 Common Shares having an exercise price of C$4.75 per Common Share. The Warrants will be exercisable for a period of five years following the closing of the Private Placement and the number of Common Shares issuable pursuant to the Warrants and exercise prices thereof are subject to certain adjustments.

In connection with the Private Placement, and pursuant to the Investment Agreement, the Company has committed to invest up to US$620 million in a new investment vehicle named Salem Group Partners, L.P. ("**Salem Partners**"), which will be controlled by an affiliate of CC Capital, in exchange for 100% of the limited partnership interests of Salem Partners (such commitment, the "**Salem Partners Investment**"). Subject to receipt of regulatory approval and other conditions, Salem Partners will acquire an affiliate of CC Capital that has entered into an agreement to purchase ManhattanLife of America Insurance Company, which is to be rebranded "Ceres Life".

As a condition precedent to closing of the Private Placement, the Company also intends to restructure the ownership of Arena (the "**Arena Reorganization**") with the Company being entitled to receive 49% of the net profits from and appreciation in Arena, Bernard Partners, LLC ("**Bernard Partners**"), the members of which are Daniel Zwirn and Lawrence Cutler, and certain other front office investment team members of Arena being entitled to receive 45% of the net profits from and appreciation in Arena, and CC Capital being entitled to receive 6% of the net profits from and appreciation in Arena (all subject to a minimal distribution to Bernard Partners of US$3,500,000 as further set out in the A&R Arena LLCA (as defined in the Information Circular)). As part of the Arena Reorganization (a) Bernard Partners' existing earn-in mechanism in respect of Arena will be eliminated; and (b) Arena and the Company will enter into a contribution and exchange agreement, pursuant to which the Company will contribute and assign to Arena a certain loan of approximately US$24 million owing from Arena to the Company (as successor to The Westaim Corporation of America) in exchange for additional equity interests of Arena. After this step and the related steps, the Company will own 100% of the equity interests of Arena.

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution (the "**Private Placement Resolution**") to approve the Private Placement as well as an ordinary resolution approving the Arena Reorganization in connection with the Private Placement (the "**Arena Reorganization Resolution**").

The completion of the Arena Reorganization is a condition precedent to closing of the Private Placement and, if both the Private Placement Resolution and the Arena Reorganization Resolution are approved, the completion of the Private Placement and the Arena Reorganization is further conditioned upon the approval of (a) the Arrangement Resolution (as defined below), and the completion of the Arrangement contemplated thereby and (b) the New Equity Incentive Plan Resolution (as defined below). The Private Placement is also subject to the fulfillment of certain other conditions precedent set forth in the Investment Agreement, including but not limited to the approval of the TSXV and relevant regulatory approvals having been obtained, all as more particularly described in the Notice of Meeting and the Information Circular.

The U.S. Redomiciliation and Share Consolidation

Additionally, the Company intends to implement a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Alberta) (the "**ABCA**"), whereby, among other things, the Company (a) will complete a share consolidation (the "**Share Consolidation**") of its Common Shares on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares, and (b) will change its jurisdiction of incorporation from the Province of Alberta in Canada to the State of Delaware in the United States of America (the "**Redomiciliation**") through a transaction called a "continuance" under the ABCA and a "domestication" under the General Corporation Law of the State of Delaware whereby the Company will legally be considered the same legal corporation after the Redomiciliation (but governed by the Laws of Delaware). At the Meeting, the Shareholders will be asked to consider and if deemed advisable, to pass a special resolution (the "**Arrangement Resolution**") to approve the Arrangement.

The completion of the Arrangement (including the Share Consolidation and the Redomiciliation contemplated thereby) is not conditioned upon the approval of any other resolutions at the Meeting and, if the Arrangement Resolution is approved, the Company may implement and effectuate the Arrangement (including the Share Consolidation and the Redomiciliation) without regard to (and prior to) the closing of any of the other transactions contemplated by the Investment Agreement. The Arrangement is also subject to the fulfillment of certain conditions precedent, including but not limited the Court of King's Bench of Alberta having approved the Arrangement, as more particularly described in the Notice of Meeting and the Information Circular.

If you are a registered Shareholder who holds share certificate(s) representing your Common Shares, in order to receive either (a) certificate(s) or direct registration statement(s) representing the Westaim Delaware Shares (as defined in the Information Circular) to which you may be entitled upon completion of the Arrangement (including the Share Consolidation), or (b) the cash to which you may be entitled if you will hold less than one whole Common Share after completion of the Share Consolidation, you must submit the enclosed letter of transmittal, including any certificate(s) representing your Common Shares, to Computershare Investor Services Inc., in accordance with the instructions in such letter of transmittal. In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*Business Of The Special Meeting – The Arrangement – Letter of Transmittal*" in the Information Circular for information on how to obtain and submit a letter of transmittal.

The New Equity Incentive Plan

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution (the "**New Equity Incentive Plan Resolution**" and collectively, with the Private Placement Resolution, the Arena Reorganization Resolution, and the Arrangement Resolution, the "**Approval Resolutions**") to approve the adoption of an amended and restated equity incentive plan of the Company (the "**New Equity Incentive Plan**").

The Post-CC Capital Transaction Board of Directors

Pursuant to the Investment Agreement, the parties have agreed to take all actions necessary, conditioned upon the completion of the Private Placement, to reconstitute the board of directors (the "**Board**") of the Company such that, immediately following closing of the Private Placement, the Board will consist of 11 directors in the aggregate, five

of whom will be nominated by the Investor and five of whom will be nominated by the Company (one of whom will be the Chief Executive Officer of the Company), along with an independent director nominated jointly by the Investor and the Company (the "**Post-Private Placement Board**").

The appointment of the directors to the Post-Private Placement Board is conditioned upon completion of the Private Placement.

Approval Requirements

The Arrangement Resolution, to be effective, must be approved by not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

The Private Placement Resolution, to be effective, must be approved by not less than a simple majority of the votes on the Private Placement Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by the Investor and any other Shareholders that are required to be excluded in accordance with the policies of the TSXV).

The Arena Reorganization Resolution, to be effective, must be approved by not less than a simple majority of the votes on the Arena Reorganization Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by Daniel Zwirn, Lawrence Cutler and any other Shareholders that are required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*).

The New Equity Incentive Plan Resolution, to be effective, must be approved by not less than a simple majority of the votes on the New Equity Incentive Plan Resolution cast by Shareholders present in person or represented by proxy at the Meeting.

Voting and Support Agreements

Certain Shareholders who own, in the aggregate, approximately 40% of the issued and outstanding Common Shares as of the Record Date (as defined below), including each of the Company's directors and members of its senior management, have entered into voting and support agreements (the "**Voting and Support Agreements**") with the Investor pursuant to which, among other things, they have agreed to vote all Common Shares held by them at the Meeting in favour of the Approval Resolutions.

Recommendation of the Special Committee and the Company Board of Directors

A special committee of unconflicted directors of the Company (the "**Special Committee**"), after having received legal and financial advice (including the Fairness Opinion (as defined below)), unanimously determined that the Arrangement, the Private Placement, the Arena Reorganization, the Salem Partners Investment, the New Equity Incentive Plan, the appointment of the Post-Private Placement Board and the other transactions contemplated in the Investment Agreement (the "**Transactions**") are in the best interests of the Company and unanimously recommended that the Board determine that the Transactions are in the best interests of the Company and unanimously recommend that the Shareholders vote **FOR** the Approval Resolutions. The Board, after receiving legal and financial advice (including the Fairness Opinion), unanimously determined that the Transactions are in the best interests of the Company, approved the entering into of the Investment Agreement and other ancillary agreements, and unanimously recommends that the Shareholders vote **FOR** the Approval Resolutions.

The unanimous recommendations of the Special Committee and the Board that the Shareholders vote **FOR** the Approval Resolutions are based on various factors, including, but not limited to, those presented below. A full description of the information and factors considered by the Special Committee and the Board is located in the accompanying Information Circular under the heading "*Business Of The Special Meeting – Recommendations Of The Special Committee And The Board*".

- ***Transformational combination of businesses to produce an integrated insurance and alternative asset management company***. The Transactions will result in a strategic combination of the Company, an investment company specializing in providing long-term capital to financial services businesses, Arena, a global institutional asset manager with approximately US$3.3 billion of invested and committed assets under management as of September 30, 2024, and Ceres Life Insurance Company ("**Ceres Life**"), a cloud-native, highly scalable annuity platform, incubated by CC Capital. The strategic combination, fueled by CC Capital's investment and expertise, will transform the Company into an integrated insurance and asset management platform, with a growing and diversified credit manager and an advantaged, tech-enabled insurance carrier that is expected to provide competitively priced fixed income and multi-year guarantee annuity products to policyholders and drive strong and sustainable value creation for Shareholders.

- ***Anchor investment and strategic partnership with CC Capital***. The Investor's anchor investment of US$250 million and the strategic partnership with CC Capital are expected to support the Company's growth vision, building on the Company's and CC Capital's existing experience in the insurance and asset management sectors, and with CC Capital dedicating meaningful resources to implementing this strategy. CC Capital is a private investment firm based in New York that was founded in late 2015 by Chinh Chu with a focus on investing in and operating high-quality businesses for the long term. CC Capital has a strong track record of investing in and partnering with financial services businesses across public and private markets, and deep expertise and experience building integrated insurance asset management strategies, including Fidelity & Guaranty Life, Inc., which CC Capital acquired in 2017 and successfully sold for cash and stock to Fidelity National Financial in 2020.

- ***Experienced leadership team***. The combined platform will be led by an experienced management team, combining the existing leadership of the Company and Arena with additional expertise in the insurance and asset management sectors. Upon closing of the Transactions, Cameron MacDonald will continue to lead the Company as Chief Executive Officer and Daniel Zwirn will continue to lead Arena as Chief Executive Officer and Chief Investment Officer. Ceres Life will be led by Deanna Mulligan as incoming Chief Executive Officer. Pursuant to a consulting agreement between the Company and an affiliate of CC Capital, the Company has also appointed Richard DiBlasi, Managing Director of CC Capital, as its Chief Strategy Officer. Upon closing of the Transactions, Chinh Chu will serve as Executive Chair of the Board and Ian Delaney, the current Executive Chair, will transition to Vice Chair.

- ***Flywheel driving growth across the Company's platform***. As part of the combined platform, the Company, Arena and Ceres Life aim to generate a powerful value creation flywheel, driving continued growth and stability of both the insurance and asset management businesses. Ceres Life's annuity originations are expected to drive assets to Arena's alternative asset management strategies and fuel Arena's growth through stable insurance assets generated from Ceres Life, in turn driving return on equity and book value growth for Ceres Life and allowing the reinvestment of earnings within the ecosystem, compounding growth. Pursuant to the Transactions, Ceres Life and Arena will enter an agreement through which Arena is expected to manage up to 90% of Ceres Life's total investable assets.

- ***Exposure to a cloud-native, highly scalable annuities provider through Ceres Life***. Ceres Life will offer a differentiated, cloud-native technology platform, unlocking strong distribution partnerships. Ceres Life is incubated by CC Capital and expected to launch in the first quarter of 2025. Ceres Life has no legacy book and, as a result of the Transactions, Ceres Life will be well-capitalized. Ceres Life aims to build a nimble, highly efficient, and risk-conscious insurance company that provides simple-to-understand and easily accessible annuity products to create better outcomes for policyholders. Ceres Life will be led by Deanna Mulligan, former Chief Executive Officer and Chair of Guardian Life Insurance, a Fortune 300 company and one of the largest life and annuities insurance companies in the United States. Ceres Life has entered into a partnership with Advisors Excel, an industry-leading Independent Marketing Organization (IMO) with an affiliate product design firm, to enable immediate scale. In addition, it is envisaged that Ceres Life will have flexibility to pursue reinsurance transactions at attractive returns.

- ***Simplified economic relationship with Arena***. As a result of the Arena Reorganization, and certain other restructuring transactions, the Company will have a simplified economic relationship with Arena which will provide Shareholders with greater transparency into Arena and its value. Specifically as a result of the Transactions, the Company will be entitled to receive 49% of the net profits from and appreciation in Arena, Bernard Partners (the members of which are Daniel Zwirn and Lawrence Cutler) and certain other front office investment team members of Arena will be entitled to receive 45% of the net profits from and appreciation in Arena and CC Capital will be entitled to receive 6% of the net profits from and appreciation in Arena (all subject to a minimal distribution to Bernard Partners of US$3,500,000 as further set out in the A&R Arena LLCA (as defined in the Information Circular)). As part of the Arena Reorganization: (a) Bernard Partners' existing earn-in mechanism in respect of Arena will be eliminated; and (b) Arena and the Company will enter into a contribution and exchange agreement, pursuant to which the Company will contribute and assign to Arena a certain loan of approximately US$24 million owing from Arena to the Company (as successor to The Westaim Corporation of America) in exchange for additional equity interests of Arena. After this step and the related steps, the Company will own 100% of the equity interests of Arena.

- ***Alignment of incentives***. The Transactions have been structured to align incentives among the Investor, the Company, Arena, and Shareholders. The Investor will own approximately 36% of the Common Shares upon closing of the Transactions, and up to 44% factoring in the Warrants, the currently outstanding stock options expected to be outstanding at closing of the Transactions and the issuance of the performance share units to be issued at closing of the Transactions. Pursuant to the Investor Rights Agreement, CC Capital has agreed to a three-year standstill and certain other customary protections and governance provisions in the Company's favour. The Arena Reorganization will also further align incentives with respect to Arena, as Bernard Partners will continue its substantial participation in Arena's economics as a result of the Arena profit share, alongside its retention of interests in Arena funds, cementing alignment with Arena's limited partners and Shareholders.

- ***Increase in the Company's capital resources***. The Company's total investable capital base is expected to increase to approximately US$700 million as a result of the US$250 million Private Placement, together with the existing cash on the Company's balance sheet and assuming full monetization of Westaim Origination Holdings, Inc., Arena Finance, LLC and each of their respective subsidiaries. Capitalizing on the Investor's investment in the Company's balance sheet, the Company has agreed to invest up to US$620 million into Salem Partners, the investment vehicle controlled by an affiliate of CC Capital that will acquire Ceres Life.

- ***Private Placement at premium to existing share price***. The implied purchase price of C$4.75 per Common Share with respect to the Private Placement represents an attractive premium of approximately 18.2% to the closing price of the Common Shares on the TSXV on October 8, 2024 (the last trading day prior to the entering into of the Investment Agreement) and a premium of approximately 25% to the 180-day volume-weighted average trading price of the Common Shares as of that date.

- ***Fairness opinion***. BMO Capital Markets has provided an opinion (the "**Fairness Opinion**") to the Special Committee and the Board, a copy of which is attached as Appendix "H" of the accompanying Information Circular, to the effect that, as of October 8, 2024, and based on and subject to the assumptions, limitations and qualifications set forth in such opinion, the Transactions are fair from a financial point of view to the Company.

General

Accompanying this letter are, among other items, copies of the Notice of Meeting, the Information Circular a form of proxy or voting instruction form, and a letter of transmittal. The Information Circular, along with the appendices thereto, contains a detailed description of the Arrangement, the Private Placement, the Arena Reorganization, the New Equity Incentive Plan, the appointment of the Post-Private Placement Board and the other transactions contemplated in the Investment Agreement, including a background to the determinations and the unanimous recommendations of the Board and the Special Committee in favour of the Transactions. A copy of the Plan of Arrangement is attached to the Information Circular as Appendix "G". A copy of the Investment Agreement has been filed under the Company's profile on SEDAR+ at www.sedarplus.ca and is incorporated by reference in the Information Circular. The Information Circular also includes certain risk factors relating to the transactions described herein. Please give these

materials your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors.

The Board has fixed the close of business on November 11, 2024 (the "**Record Date**") as the record date for determining the Shareholders who are entitled to receive notice of and to vote at the Meeting. Only registered Shareholders of record at the close of business on the Record Date will be entitled to receive notice of the Meeting and vote at the Meeting.

Your vote is important. If you do not plan to attend the Meeting, you may complete and return your form of proxy or voting instruction form, as applicable, in accordance with the instructions set forth therein. For further details, see "*General Statutory Information – Solicitation Of Proxies*" in the Information Circular. Even if you do plan to attend the Meeting, you are still encouraged to provide voting instructions on the enclosed form of proxy or voting instruction form, as applicable, as soon as possible prior to the Meeting. In order to be effective, proxies must be received by 9:00 a.m. (Eastern time) on December 17, 2024 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the adjourned Meeting is reconvened or the postponed Meeting is convened. In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*General Statutory Information – Appointment of Proxyholders"* in the Information Circular for information on how to obtain and submit a form of proxy or voting information form, as applicable. In the event of any delays in receiving materials due to labour disruptions, non-registered Shareholders are encouraged to **contact their brokers** in order to obtain their control numbers.

If you are a non-registered Shareholder and have received these materials from your broker, dealer, bank, trust company or other intermediary, please complete and return the voting instruction form or other authorization form provided to you by your nominee or intermediary in accordance with the instructions provided therein. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting. For further details, see "*General Statutory Information – Non-registered Shareholders*" in the Information Circular.

The information contained in the Notice of Meeting and the Information Circular are important and you are urged to read this information carefully and, if you require assistance, to consult your financial, legal, tax or other professional advisors. If you have any questions or need more information about voting your Common Shares, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-866-581-1489 (toll-free in North America) or at 1-416-623-2517 (collect call and text enabled outside North America), or by email at contactus@kingsdaleadvisors.com. You may also visit www.WEDfuture.com for easy access to voting portals and information on the Meeting.

On behalf of the Board, thank you for your consideration of these matters and your continuing support.

Yours truly,

(signed) "*J. Cameron MacDonald*"
J. Cameron MacDonald
Director, President and Chief Executive Officer

THE WESTAIM CORPORATION
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of The Westaim Corporation (the "**Company**") will be held at Vantage Venues, 150 King Street West, 27th Floor, Toronto, ON M5H 1J9, on December 19, 2024 at 9:00 a.m. (Eastern time), subject to any adjournments or postponements thereof, for the following purposes:

1. to consider, and, if deemed advisable, pass, with or without variation, a special resolution (the full text of which is set forth in Appendix "A" of the accompanying management information circular (the "**Information Circular**")) (the "**Arrangement Resolution**") approving a plan of arrangement under section 193 of the Business Corporations Act (Alberta) (the "**Arrangement**"), whereby, among other things, the Company (a) will complete a share consolidation ("Share Consolidation") of its Common Shares on the basis of one post-share consolidation Common Share for every six pre-consolidation Common Shares, and (b) will change its jurisdiction of incorporation from the Province of Alberta in Canada to the State of Delaware in the United States of America (the "Redomiciliation") through a transaction called a "continuance" under the Business Corporations Act (Alberta) and a "domestication" under the General Corporation Law of the State of Delaware;

2. to consider, and, if deemed advisable, pass, with or without variation, an ordinary resolution (the full text of which is set forth in Appendix "B" of the Information Circular) (the "**Private Placement Resolution**") approving the purchase by, and the issuance to, Wembley Group Partners, LP (the "**Investor**") of (a) 71,878,947 Common Shares having an implied purchase price of C$4.75 per share in cash and (b) warrants to purchase 31,288,228 additional Common Shares exercisable for a period of five years following the closing, comprised of (i) warrants to purchase 7,822,057 Common Shares having an exercise price of C$4.02 per Common Share, which warrants will vest in the event the volume-weighted average price of the Common Shares on the TSX Venture Exchange or other stock exchange on which the Common Shares are listed for trading equals or exceeds C$8.00 (subject to certain adjustments) for any 30 consecutive trading day period prior to the five-year anniversary of the closing and (ii) warrants to purchase 23,466,171 Common Shares having an exercise price of C$4.75 per Common Share (collectively, the "**Private Placement**");

3. to consider, and, if deemed advisable, pass, with or without variation, an ordinary resolution approving the Arena Reorganization, as defined in the Information Circular (the "**Arena Reorganization Resolution**");

4. to consider, and, if deemed advisable, pass, with or without variation, an ordinary resolution (the "**New Equity Incentive Plan Resolution**" and collectively, with the Private Placement Resolution, the Arena Reorganization Resolution, and the Arrangement Resolution, the "**Approval Resolutions**") approving the adoption of an amended and restated equity incentive plan of the Company (the "**New Equity Incentive Plan**"); and

5. to transact such other business as may properly come before the Meeting and any adjournment(s) or postponement(s) thereof.

The board of directors of the Company (the "**Board**") and a special committee of unconflicted directors of the Company (the "**Special Committee**") each unanimously recommends that the Shareholders vote **FOR** each of the Approval Resolutions.

Each Common Share entitled to be voted in respect of each of the Approval Resolutions will entitle the holder thereof to one vote at the Meeting.

The Arrangement Resolution, to be effective, must be approved by not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

The Private Placement Resolution, to be effective, must be approved by not less than a simple majority of the votes on the Private Placement Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by the Investor and any other Shareholders that are required to be excluded in accordance with the policies of the TSXV).

The Arena Reorganization Resolution, to be effective, must be approved by not less than a simple majority of the votes on the Arena Reorganization Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by Daniel Zwirn, Lawrence Cutler and any other Shareholders that are required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*).

The New Equity Incentive Plan Resolution, to be effective, must be approved by not less than a simple majority of the votes on the New Equity Incentive Plan Resolution cast by Shareholders present in person or represented by proxy at the Meeting.

If the Arrangement Resolution is approved, the completion of the Arrangement (including the Share Consolidation and the Redomiciliation) is not conditioned upon the approval of any other Approval Resolutions at the Meeting and, if the Arrangement Resolution is approved, the Company may implement and effectuate the Arrangement (including the Share Consolidation and the Redomiciliation) without regard to (and prior to) the closing of any of the other transactions contemplated by the Investment Agreement.

The completion of the Arena Reorganization is a condition precedent to the closing of the Private Placement and, if the Private Placement Resolution and the Arena Reorganization Resolution are both approved, the completion of the Private Placement and the Arena Reorganization is conditioned upon the approval of (a) the Arrangement Resolution and the completion of the Share Consolidation and the Redomiciliation contemplated thereby and (b) the New Equity Incentive Plan Resolution.

The Board has fixed the close of business on November 11, 2024 (the "**Record Date**") as the record date for determining the Shareholders who are entitled to receive notice of and to vote at the Meeting. Only registered Shareholders of record at the close of business on the Record Date will be entitled to receive notice of the Meeting and vote at the Meeting.

The Information Circular provides additional information with respect to each subject matter to be addressed at the Meeting, including the Arrangement, the Private Placement, the Arena Reorganization and the New Equity Incentive Plan, and is deemed to form part of this notice of special meeting of Shareholders.

Only registered Shareholders and duly appointed proxyholders may participate and vote at the Meeting. Shareholders who are unable to attend the Meeting must follow the instructions on the enclosed proxy or voting instruction form to vote their Common Shares. Non-registered Shareholders that hold their Common Shares with a broker, dealer, bank, trust company or other intermediary who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to vote or ask questions at the Meeting. Non-registered Shareholders who wish to attend, ask questions and vote at the Meeting must carefully follow the instructions provided by their nominee or other intermediary.

Voting by proxy will not prevent a Shareholder from voting at the Meeting if such Shareholder revokes his, her or its proxy and attends the Meeting, but will ensure that votes cast by Shareholders who are unable to attend the Meeting will be counted. In all cases, Shareholders should ensure that proxies are received by the Computershare Trust Company of Canada, located at 100 University Avenue, 8th floor, Toronto, Ontario M5J 2Y1, by no later than 48 hours (excluding weekends and holidays in the Province of Ontario) prior to the Meeting or any adjournments or postponements thereof. Assuming that there are no adjournments or postponements of the Meeting, the proxy cut-off time is 9:00 a.m. (Eastern time) on December 17, 2024 or, if the Meeting is adjourned, at least 48 hours (excluding weekends and statutory holidays in the Province of Ontario) before the adjourned Meeting is reconvened or the postponed Meeting is convened. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*General Statutory Information – Appointment of Proxyholders"* and "*General Statutory Information – Revocation of Proxy"* in the Information Circular for information on how to obtain and submit a form of proxy or voting information form, as applicable.

Irrespective of whether a Shareholder expects to attend the Meeting, all Shareholders are encouraged to carefully review the Information Circular and complete the applicable form of proxy or voting instruction form as promptly as possible to ensure such Shareholders' votes will be counted at the Meeting.

Pursuant to the Arrangement, each registered Shareholder has the right to dissent in respect of the Arrangement Resolution and to be paid an amount equal to the fair value of his, her or its Common Shares as of the close of business on the business day before the Arrangement Resolution was approved. These rights to dissent to which registered Shareholders are entitled and the procedures to be followed in connection with the exercise of such dissent rights are described under the heading "*Dissent Rights*" in the Information Circular. A registered Shareholder who wishes to dissent in respect of the Arrangement Resolution must deliver a written notice of objection to The Westaim Corporation, 70 York Street, Suite 1700 Toronto, Ontario Canada M5J 1S9, Attention: J. Cameron MacDonald not later than 5:00 p.m. (Calgary time) on December 17, 2024 or, if the Meeting is adjourned or postponed, by 5:00 p.m. (Calgary time) on the business day which is two (2) business days immediately preceding the date of the Meeting, and strictly comply with the dissent procedures described in the Information Circular. Failure to strictly comply with the requirements set forth in Section 191 of the *Business Corporations Act* (Alberta) as modified by the Interim Order (as defined in the Information Circular) and the Plan of Arrangement (as defined in the Information Circular), may result in the loss of any right of dissent. Persons who are beneficial owners of the Company registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of Common Shares are entitled to dissent. Accordingly, a beneficial owner of Common Shares desiring to exercise this right must make arrangements for the Common Shares beneficially owned by such Shareholder to be registered in the Shareholder's name prior to the time the written objection to the Arrangement Resolution is required to be received by the Company or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on the Shareholder's behalf. It is strongly suggested that any Shareholder wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions of the *Business Corporations Act* (Alberta), as modified by the Interim Order and the Plan of Arrangement, may prejudice such Shareholder's right to dissent. See "*Dissent Rights*" in the Information Circular for additional information.

DATED at Toronto, Ontario this 19th day of November, 2024.

BY ORDER OF THE BOARD

(signed) "*J. Cameron MacDonald*"

J. Cameron MacDonald
Director, President and Chief Executive Officer

NOTICE OF ORIGINATING APPLICATION

Court File No.: 2401-16038

IN THE COURT OF KING'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING THE WESTAIM CORPORATION

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the "**Application**") has been filed with the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") on behalf of The Westaim Corporation ("**Westaim**"), with respect to a proposed arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "**Act**"), involving, among others, Westaim and the holders ("**Shareholders**") of common shares (the "**Shares**") of Westaim (collectively, the "**Arrangement Parties**"), which Arrangement is described in greater detail in the management information circular of Westaim dated November 19, 2024 accompanying this Notice of Application (the "**Circular**"). At the hearing of the Application, Westaim intends to seek:

(a) a declaration that the registered Shareholders shall have their dissent rights in respect of the Arrangement pursuant to the provisions of section 191 of the Act, as modified by the interim order (the "**Interim Order**") of the Court dated November 19, 2024 and the plan of arrangement in respect of the Arrangement, a copy of which is attached as Appendix "G" to the Circular;

(b) an order approving the Arrangement pursuant to the provisions of section 193 of the Act and the terms and conditions of the Plan of Arrangement;

(c) a declaration that the Arrangement will, upon the filing of articles of arrangement under the Act and the issuance of the proof of filing of articles of arrangement under the Act, be effective under the Act in accordance with its terms and will be binding on and after the Effective Date (as defined in the Plan of Arrangement);

(d) a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable from a substantive and procedural point of view; and

(e) such other and further orders, declarations and directions as the Court may deem just.

AND NOTICE IS FURTHER GIVEN that the said Application is directed to be heard before a Justice of the Court of King's Bench of Alberta (via Webex) on December 20, 2024 at 10:00 a.m. (Calgary time), or as soon thereafter as counsel may be heard. **Any Shareholder or any other interested party desiring to appear at the hearing is required to file with the Court and serve upon Westaim on or before 12:00 p.m. (Calgary time) on December 13, 2024, a notice of intention to appear, including an address for service in the Province of Alberta, indicating whether such Shareholder or other interested party intends to support or oppose the application or make submissions thereat, together with a summary of the position such Shareholder or other interested party intends to advocate before the Court and any evidence or materials which are to be presented to the Court**. Service on Westaim is to be effected by delivery to the solicitors for Westaim at the address set out below. If any Shareholder or any other such interested party does not attend, either in person or by counsel, at that time, the Court

may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, or refuse to approve the Arrangement, without any further notice.

AND NOTICE IS FURTHER GIVEN that no further notice of the Application will be given by Westaim, and that in the event the hearing of the Application is adjourned, only those persons who have appeared before the Court for the Application at the hearing shall be served with notice of the adjourned date.

AND NOTICE IS FURTHER GIVEN that the Court, by the Interim Order, has given directions as to the calling and holding of a meeting of Shareholders for the purpose of such Shareholders voting upon, amongst other items, a special resolution to approve the Arrangement, and has directed that registered Shareholders shall have the right to dissent with respect to the Arrangement in accordance with the provisions of Section 191 of the Act, as modified by the Interim Order and the Plan of Arrangement.

AND NOTICE IS FURTHER GIVEN that the final order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, provided by section 3(a)(10) thereof, with respect to the issuance of the Westaim Delaware Shares (as defined in the Plan of Arrangement) to be received by the Shareholders, in exchange for their Shares, under the Arrangement.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any Shareholders or other interested party requesting the same by the under mentioned solicitors for Westaim upon written request delivered to such solicitors as follows:

Stikeman Elliott LLP
Bankers Hall West, 4200 888 – 3 St SW
Calgary, Alberta T2P 5C5
Attention: Matti Lemmens

DATED this 19th day of November, 2024

BY ORDER OF THE BOARD OF DIRECTORS OF THE WESTAIM CORPORATION

(signed) "J. *Cameron MacDonald*"

J. Cameron MacDonald
Director

NOTICE TO SHAREHOLDERS NOT RESIDENT IN CANADA

The Company is a corporation organized under the laws of the Province of Alberta. The solicitation of proxies involves securities of a Canadian issuer and is being effected in accordance with applicable corporate and securities laws in Canada. The Shareholders 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 United States federal securities laws or 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 Alberta, all of its directors and executive officers and the experts named herein are residents of Canada and that a large portion of the assets of the Company and such persons are located in Canada. As a result, it may be difficult or impossible for U.S. or other shareholders not resident in Canada to effect service of process within the United States or other jurisdictions upon the Company, its officers or directors or the experts named herein, or to realize upon them judgments of courts of the United States or other jurisdictions predicated on civil liabilities under securities laws. U.S. or other shareholders not resident in Canada 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. In addition, such shareholders should not assume that the courts of Canada would enforce judgments of United States or other courts obtained in actions against such persons predicated upon civil liabilities under the United States federal securities laws or the securities laws of other jurisdictions outside Canada or would enforce, in original actions, liabilities against such persons predicated upon such civil liabilities.

The Westaim Delaware Shares (as defined below) to be issued under the Arrangement have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and are being issued in reliance on the exemption from registration set forth in Section 3(a)(10) thereof on the basis of the approval of the Court (as defined below), which will consider, among other things, the fairness of the terms and conditions of the Arrangement to holders of Common Shares. See "*Business Of The Special Meeting – The Arrangement*".

The solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Accordingly, this Information Circular has been prepared in accordance with applicable disclosure requirements in Canada. Securityholders in the United States should be aware that such requirements are different than those of the United States.

Financial statements and information included or incorporated by reference herein have been prepared in accordance with generally accepted accounting principles in Canada and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies.

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT AND THE TRANSACTIONS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY PASSED JUDGEMENT UPON THE FAIRNESS OR MERITS OF THE TRANSACTIONS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

Shareholders who are foreign taxpayers should be aware that the Transactions described in this Information Circular may have tax consequences both in Canada and such foreign jurisdiction. Such consequences for Shareholders may not be described fully in this Information Circular. See "*Canadian and U.S. Federal Income Tax Considerations*". Shareholders are advised to consult their tax advisors to determine the particular tax consequences to them of the Transactions.

Glossary of Terms

The following terms used in this Information Circular have the meanings set forth below:

"**2023/2024 NCIB**" has the meaning ascribed thereto under "*Information Concerning The Company – Previous Purchases and Sales by the Company*".

"**A&R Arena LLCA**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**ACG**" has the meaning ascribed thereto under "*Directors – Cease Trade Orders, Bankruptcies, Penalties or Sanctions*".

"**Acquired Company**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**AIF**" means the Company's annual information form for its financial year ended December 31, 2023.

"**allowable capital loss**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Non-Dissenting Resident Holders – Taxation Of Capital Gains And Capital Losses*".

"**Amending Agreement**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investor Rights Agreement*".

"**Approval Resolutions**" means, collectively, the (a) Arrangement Resolution, (b) Private Placement Resolution, (c) the Arena Reorganization Resolution, and (d) the New Equity Incentive Plan Resolution.

"**Arena**" means Arena Investors Group Holdings, LLC, a Delaware limited liability company.

"**Arena Advisor**" means Arena Investors, LP, a Delaware limited partnership.

"**Arena Board**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**Arena Broker-Dealer**" means Arena Financial Services, LLC, a Delaware limited liability company.

"**Arena Client**" means any person that receives investment management, investment advisory, sub-advisory, portfolio management, or account management services from the Arena Advisor; provided that in the case of an Arena Fund, the definition of Arena Client shall be deemed to refer to the Arena Fund, but not to any Arena Fund Investor (in its capacity as such).

"**Arena FINCOs**" means, collectively, Westaim Origination Holdings, Inc., Arena Finance, LLC and each of their respective subsidiaries.

"**Arena Fund**" means any investment fund or other collective investment vehicle (and including each separate or segregated portfolio or series of any of the foregoing and whether or not dedicated to a single investor, or a series thereof) that is (a) sponsored or controlled by Arena or one of its subsidiaries or (b) for which Arena or one of its subsidiaries acts as the investment adviser, investment manager, collateral manager, general partner, managing member, manager or in a similar capacity.

"**Arena Fund Investor**" means a limited partner, member, interest holder, shareholders or other investors of an Arena Fund.

"**Arena Management**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Plan of Arrangement – Share Consolidation*".

"**Arena Reorganization**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**Arena Reorganization Approval**" the requisite approval of not less than a simple majority of the votes on the Arena Reorganization Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding for this purpose the votes cast by any Shareholders that are required to be excluded in accordance with MI 61-101).

"**Arena Reorganization Resolution**" means the ordinary resolution of the Shareholders that is to be considered at the Meeting with respect to the approval of the Arena Reorganization.

"**Arrangement**" means the arrangement under section 193 of the ABCA on 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 (a) the Plan of Arrangement; or (b) made at the direction of the Court in the Final Order with the prior written consent of (i) if the Investment Agreement has not been terminated in accordance with its terms, the Company and the Investor, each acting reasonably, or (ii) if the Investment Agreement has been terminated in accordance with its terms, with the prior written consent of the Company.

"**Arrangement Approval**" means the requisite approval of not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

"**Arrangement Resolution**" means the special resolution of the Shareholders that is to be considered at the Meeting with respect to the approval of the Plan of Arrangement substantially in the form set out in Appendix "A".

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required by the ABCA to be sent to the Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form satisfactory to the Company and the Investor, each acting reasonably.

"**ASOF**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Zwirn Employment Agreement – Termination For Cause Or Without Good Reason*".

"**Average Net Asset Value**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Management Agreement – Fees – Management Fee*".

"**Award Limits**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The New Equity Incentive Plan*".

"**Awards**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The New Equity Incentive Plan*".

"**Bernard Partners**" means Bernard Partners, LLC, a Delaware limited liability company.

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc.

"**Board**" means the board of directors of the Company.

"**Burdensome Condition**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Agreement*".

"**Business Day**" means any day, other than: (a) a Saturday, Sunday or statutory holiday in the State of New York; (b) a day on which banks are generally closed in the State of New York; or (c) a day on which the TSXV and/or such other primary stock exchange on which the Common Shares are listed for trading at such time is closed for trading.

"**Canadian Securities Regulators**" means, collectively, the securities commissions or other securities regulatory authorities in each of the Qualifying Jurisdictions.

"**Canadian Tax Act**" means the *Income Tax Act* (Canada).

"**Capital Gains Proposal**" has the meaning ascribed thereto under has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Non-Dissenting Resident Holders – Taxation Of Capital Gains And Capital Losses*".

"**Cash Amount**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**Cause**" means (a) a final judgment, verdict, order or plea (including a plea of nolo contendere), in each case, not subject to further appeal, by any court, or governmental body of competent jurisdiction, that the General Partner or any principal of CC Capital committed fraud, embezzlement or a similar felony involving misappropriation of funds, or any other felony or violation of securities laws that has a material adverse effect on the Partnership or the limited partners; *provided* that the General Partner and CC Capital will be deemed to have cured any finding of Cause under this clause (a) if, within 30 days after the date of conviction, it terminates or causes the termination of employment with the General Partner, CC Capital and their affiliates, as applicable, of all individuals who engaged in the conduct constituting such Cause and makes the Partnership whole for any actual financial loss that such conduct had caused the Partnership; (b) the General Partner (i) files a voluntary petition in bankruptcy, (ii) is involuntarily dissolved and commences its winding up, or (iii) consents to or acquiesces to the appointment of a trustee, receiver or liquidator of the General Partner; (c) the General Partner has entered against it an order for relief in a federal bankruptcy proceeding which order is not stayed, vacated or dismissed within 90 days; or (d) the final, non-appealable finding by any court, or governmental body of competent jurisdiction, that the General Partner has intentionally and materially breached any of its material obligations under the LPA and such breach is not cured within 90 days after receipt by the General Partner of written notice with respect thereto from at least a majority in interest of the limited partners.

"**CC Capital**" means CC Capital Partners, LLC, a Delaware limited liability company.

"**Ceres Life**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Overview Of The Transactions*".

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement.

"**Change of Control**" means a transaction or series of transactions (including a merger, acquisition, consolidation, reorganization or sale, but excluding transfers for estate planning purposes and any transfers to family members) that results in one or more persons who are neither (a) affiliates of CC Capital SP, LP as of the date of the LPA nor (b) family members of a person described in (a), including family members that acquire an ownership interest after the date of the LPA, directly or indirectly owning a majority of the voting securities of the General Partner.

"**CHT**" has the meaning ascribed thereto under "*Directors – Cease Trade Orders, Bankruptcies, Penalties or Sanctions*".

"**Closing**" means the closing of the Private Placement in accordance with the Investment Agreement.

"**Closing Date**" means the date on which the Closing actually occurs.

"**CMA**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Agreement – Regulatory Covenants – FINRA*".

"**CoC**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**CoC Date**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**Code**" means the Internal Revenue Code of 1986, as amended.

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

"**Common Stock Price Target Condition**" means that the 30 consecutive trading day VWAP of the Common Shares on the TSXV or such other primary stock exchange on which the Common Shares are listed for trading at such time equals or exceeds C$8.00 (or its equivalent in other currencies, including United States dollars, based on the applicable daily average rate of exchange as reported by the Bank of Canada for the conversion of Canadian dollars into such other currency on the last Business Day prior to the applicable date) per Common Share at any time prior to the fifth anniversary of the Closing, as appropriately adjusted or reduced from time to time for dividends or other distributions of assets (or rights to acquire assets) or distributions by way of return of capital or otherwise (including, without limitation, any distribution by way of a dividend, reclassification, corporation rearrangement, plan of arrangement or scheme of arrangement or other similar transaction, but excluding share buybacks or repurchases by the Company contemplated by Section 5.01 of the Investment Agreement), stock splits, stock dividends, reverse splits, combinations, recapitalizations and similar transactions and as appropriately and equitably reduced, on a one-time basis for each such transaction, following any separation from the Company of any of its subsidiaries by way of spin-off, spin-out or similar transaction, to give proportionate effect to the portion of such subsidiary (based on economic value) no longer owned by the Company, which adjustment shall be derived using the volume-weighted average trading price of the shares of such subsidiary on the primary stock exchange on which such shares are traded for the 30 trading days immediately following consummation of such transaction, or if such shares are not publicly traded, the fair market value of the separated portion of the business as agreed in good faith by the parties.

"**Company Equity Plan**" means, collectively, the Company LTIP and the Company Stock Option Plan.

"**Company Letter**" means the disclosure letter delivered by the Company to the Investor on the date of the Investment Agreement.

"**Company LTIP**" means, prior to the Closing, the Company's current amended and restated long-term incentive plan.

"**Company Share Value**" means the five-day volume-weighted average trading price of the Common Shares on the TSXV, determined as of the close of business on the second (2nd) business day immediately preceding the Effective Date.

"**Company Stock Option Plan**" means the Company's amended and restated incentive stock option plan.

"**Consenting Parties**" means (a) if the Investment Agreement has not been terminated in accordance with its terms, the Company or Westaim Delaware, as applicable, and the Investor, each acting reasonably, or (b) if the Investment Agreement has been terminated in accordance with its terms, the Company or Westaim Delaware, as applicable.

"**Consultant**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Consulting Agreement*".

"**Contributed Indebtedness**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**Contribution and Exchange Agreement**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**Control Person**" has the meaning ascribed to it in TSXV Policy 4.1 - *Private Placements*.

"**Court**" means the Court of King's Bench of Alberta.

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

"**Cutler**" means Lawrence Cutler.

"**Cutler Accrued Benefits**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Cutler Employment Agreement*".

"**Cutler Employment Agreement**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Cutler Employment Agreement*".

"**Dentons**" means Dentons Canada LLP.

"**DGCL**" means the General Corporation Law of the State of Delaware.

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

"**Dissenting Non-Resident Holder**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada –* Dissenting Non-Resident Holders".

"**Dissenting Resident Holder**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders*".

"**Dissenting Shareholders**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Documents**" has the meaning ascribed thereto under "*General Statutory Information*".

"**DRS Statement**" means a direct registration system statement.

"**DSU**" means a deferred share unit issued by the Company pursuant to the Company LTIP or New Equity Incentive Plan, as applicable.

"**E&P**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – Effects of the Share Consolidation on U.S. Holders of Common Shares*".

"**ECL**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Equity Commitment Letter And Limited Guarantee*".

"**Effective Date**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Effective Time**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Eligible Person**" means any director, officer, employee, management Company employee or consultant of the Company or any affiliate determined by the Board as eligible for participation in the New Equity Incentive Plan.

"**Equity Investor**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Equity Commitment Letter And Limited Guarantee*".

"**Excluded Parties**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**Exercise Notice**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**Fairness Opinion**" means the written fairness opinion of BMO Capital Markets dated October 8, 2024.

"**FDSO**" means the fully diluted Common Shares outstanding.

"**FHSA**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Eligibility for Investment*".

"**Final Order**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Court, Regulatory And Other Approvals*".

"**Final Proscription Date**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arrangement – Letter of Transmittal*".

"**FINRA**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Agreement – Regulatory Covenants – FINRA*".

"**FINRA Approval**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Agreement – Regulatory Covenants – FINRA*".

"**First Revised Proposal**" has the meaning ascribed thereto under *"Business Of The Special Meeting – Background To The Transactions*".

"**forward-looking statements**" has the meaning ascribed thereto under "*Forward Looking Information*".

"**Fractional Share**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Share Consolidation*".

"**General Partner**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Salem Partners Amended & Restated Limited Partnership Agreement*".

"**Governmental Authorization**" means a consent, approval, order or authorization of, or registration, declaration or filing with, or notice to a Governmental Entity.

"**GPTH**" has the meaning ascribed thereto under "*Directors – Cease Trade Orders, Bankruptcies, Penalties or Sanctions*".

"**IMA**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Overview Of The Transactions*".

"**IMA Indemnified Parties**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Management Agreement – Exculpation And Indemnification*".

"**Incentive Warrants**" means incentive warrants to purchase 23,466,171 Common Shares having an exercise price of C$4.75 per Common Share, the form of which is attached to the Investment Agreement.

"**Information Circular**" has the meaning ascribed thereto under "*Introduction*".

"**Initial Proposal**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Background To The Transactions*".

"**Initial Term**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Sub-Advisory Agreement – Termination*".

"**Insiders**" has the meaning ascribed thereto in the policies of the TSXV.

"**Interested Party**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Court, Regulatory And Other Approvals*".

"**Interested Transaction Parties**" has the meaning ascribed thereto under "*Business Of The Special Meeting* – Fairness Opinion".

"**Interim Order**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Court, Regulatory And Other Approvals*".

"**Intermediary**" means any clearing agency, broker, dealer, bank, trust company or other intermediary.

"**Investment Agreement**" means the investment agreement dated October 9, 2024, by and among the Investor, Arena, Zwirn, Cutler and the Company, as amended on November 15, 2024 and as may be further amended, supplemented or otherwise modified from time to time, including all schedules, appendices and exhibits thereto and enclosures therewith, as each of the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Investment Manager**" means CC Capital Insurance Advisors LLC.

"**Investor**" means Wembley Group Partners, LP, a Delaware limited partnership.

"**Investor Rights Agreement**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Overview Of The Transactions*".

"**IRS**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations*".

"**Kingsdale Advisors**" means Kingsdale Partners LP., the strategic shareholder advisor and proxy solicitation agent of the Company.

"**Law**" means any federal, state, local or municipal, domestic or foreign, or other statute, law, code, ordinance, act, rule or regulation of any Governmental Entity, and any Orders.

"**Letter of Transmittal**" means the enclosed letter of transmittal pursuant to which Registered Shareholders who hold share certificate(s) are required to deliver their certificate(s) representing Common Shares in order to receive certificate(s) or DRS Statement(s) representing the Westaim Delaware Shares issuable to them, or the cash payable to them if they will hold less than one whole Common Share after completion of the Share Consolidation, pursuant to the Arrangement.

"**Lien**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Limited Guarantee**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Equity Commitment Letter And Limited Guarantee*".

"**LPA**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Salem Partners Amended & Restated Limited Partnership Agreement*".

"**Madison Purchase Agreement**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Agreement – Regulatory Covenants*".

"**Management**" has the meaning ascribed thereto under "*Introduction*".

"**Management Fee**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Management Agreement – Fees – Management Fee*".

"**ManhattanLife**" means ManhattanLife of America Insurance Company.

"**Market Price**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**Mark-to-Market Election**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – PFIC Considerations – Effects of PFIC Rules on the Redomiciliation*."

"**Meeting**" has the meaning ascribed thereto under "*Introduction*".

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Minority Approval**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**New Equity Incentive Plan**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**New Equity Incentive Plan Resolution**" means the ordinary resolution of the Shareholders that is to be considered at the Meeting with respect to the approval of the New Equity Incentive Plan.

"**New Equity Incentive Plan Restrictions**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**New Equity Plan Approval**" means the requisite approval of a simple majority of the votes cast on the New Equity Incentive Plan Resolution by Shareholders present in person or represented by proxy at the Meeting.

"**Non-registered Shareholder**" means a Shareholder that does not hold their Common Shares in their own name and whose Common Shares are held by or in the custody of an Intermediary.

"**Non-Resident Holder**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*."

"**Non-Voting Shares**" has the meaning ascribed thereto under "*Information Concerning The Company – Description of Share Capital*".

"**Notice**" has the meaning ascribed thereto under "*Introduction*".

"**Offer**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**Option**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The New Equity Incentive Plan*".

"**Option Price**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements– The New Equity Incentive Plan*".

"**Order**" means any judgment, decision, decree, injunction, ruling, writ, assessment or order of any Governmental Entity that is binding on any person or its property under applicable Law.

"**order**" has the meaning ascribed thereto under "*Directors – Cease Trade Orders, Bankruptcies, Penalties or Sanctions*".

"**Outside Date**" means March 31, 2025.

"**Ownership Test**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*".

"**Par Warrants**" means par warrants to purchase 7,822,057 Common Shares having an exercise price of C$4.02 per Common Share, and exercisable subject to the achievement of the Common Stock Price Target Condition, the form of which is attached to the Investment Agreement.

"**Participant**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**Partnership**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Salem Partners Amended & Restated Limited Partnership Agreement*".

"**PFIC**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – PFIC Considerations*".

"**PJT Partners**" means PJT Partners LP.

"**Plan of Arrangement**" means the plan of arrangement, substantially in the form attached hereto as Appendix "G", subject to any amendments or variations to such plan made at the direction of the Court or in accordance with the Investment Agreement.

"**Portfolio**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Management Agreement – Appointment; Investment Management Services*".

"**Post-Private Placement Board"** means the board of directors the Company contemplated in the Investment Agreement, to be appointed on completion of the Private Placement.

"**Private Placement**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Overview Of The Transactions*".

"**Private Placement Approval**" means the requisite approval of a simple majority of the votes cast on the Private Placement by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by Shareholders that are required to be excluded in accordance with the policies of the TSXV).

"**Private Placement Resolution**" means an ordinary resolution of the Shareholders that are to be considered at the Meeting with respect to the Private Placement substantially in the form set out in Appendix "B".

"**Proposed Amendments**" has the meaning ascribed thereto under *"Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations*".

"**Proposed Strategic Investment and Partnership**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Background To The Transactions*".

"**Proxy Instrument**" means the enclosed form of proxy included with this Information Circular.

"**PSU**" means performance share units of the Company.

"**QEF**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – PFIC Considerations – QEF Election*".

"**QEF Election**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – PFIC Considerations – Effects of PFIC Rules on the Redomiciliation*".

"**Qualifying Jurisdictions**" means, collectively, all of the Provinces and Territories of Canada.

"**RDSP**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Eligibility For Investment*".

"**Real Property Test**" has the meaning ascribed thereto under *"Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*".

"**Redomiciliation**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arrangement*".

"**Registered Plans**" has the meaning ascribed thereto under *"Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Eligibility For Investment*".

"**Registered Shareholder**" means the Shareholder whose name appears on the register of the Company, as the holder of Common Shares.

"**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under section 263 of the ABCA.

"**Regulation S**" means Regulation S under the U.S. Securities Act.

"**Required Shareholder Approvals**" means the Arrangement Approval, Private Placement Approval, the Arena Reorganization Approval, the New Equity Plan Approval and other approvals in respect of the Transactions required under MI 61-101.

"**Resident Holder**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*".

"**Resolution Process**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Agreement - Regulatory Covenants*".

"**RESP**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Eligibility for Investment*".

"**RRIF**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Eligibility for Investment*".

"**RRSP**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Eligibility for Investment*".

"**RSU**" means a restricted share unit issued by the Company pursuant to the Company LTIP or New Equity Incentive Plan, as applicable.

"**RSU Holder**" means a holder of one or more RSUs.

"**Salem Holdco**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Salem Partners Amended & Restated Limited Partnership Agreement – Purpose*".

"**Salem Partners**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Overview Of The Transactions*".

"**Salem Partners Investment**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Overview Of The Transactions*".

"**SAR**" means a stock appreciation right issued by the Company pursuant to the Company LTIP or New Equity Incentive Plan, as applicable.

"**SAR Amount**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**Second Revised Proposal**" has the meaning ascribed thereto under *"Business Of The Special Meeting – Background To The Transactions*".

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval + and its predecessor, the System for Electronic Document Analysis and Retrieval.

"**Senior Officers**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements –Investor Rights Agreement – Approval Rights*".

"**Share Buyback**" means, the repurchase by the Company, following the Closing, subject to the approval of a committee of the Board, of up to US$100 million of Common Shares at C$5.00 to C$5.25 per Common Share.

"**Share Consolidation**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arrangement*".

"**Shareholders**" has the meaning ascribed thereto under "*Introduction*".

"**Skyward**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Background To The Transactions*".

"**Skyward IPO**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Background To The Transactions*".

"**Skyward Shares**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Background To The Transactions*".

"**Special Committee**" means the special committee of unconflicted directors of the Board formed to consider the Transactions.

"**Special Value**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*. "

"**SPP**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

"**SPP Eligible Person"** has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements– The New Equity Incentive Plan*".

"**Stikeman**" means Stikeman Elliott LLP.

"**Sub-Account Average Net Asset Value**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Sub-Advisory Agreement – Fees*".

"**Sub-Adviser**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Sub-Advisory Agreement*".

"**Sub-Advisory Agreement**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Sub-Advisory Agreement*".

"**Sub-Advisory Management Fee**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Sub-Advisory Agreement – Fees*".

"**Subsequent Offering**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Investment Agreement – Participation Rights*".

"**Surrendered Options**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The New Equity Incentive Plan*".

"**taxable capital gain**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Non-Dissenting Resident Holders – Taxation Of Capital Gains And Capital Losses*".

"**Termination Letter Agreement**" means the termination letter agreement to be entered into between Arena and the Investment Manager.

"**Term Sheet**" has the meaning ascribed thereto under *"Business Of The Special Meeting – Background To The Transactions*".

"**TFSA**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Eligibility for Investment*".

"**Third Revised Proposal**" has the meaning ascribed thereto under *"Business Of The Special Meeting – Background To The Transactions*".

"**Transaction Documents**" has the meaning ascribed thereto under *"Business Of The Special Meeting – Background To The Transactions*".

"**Transactions**" means, collectively, (a) the Arrangement, (b) the Private Placement, (c) the Arena Reorganization, (d) the Salem Partners Investment and (e) the other transactions contemplated in the Investment Agreement.

"**Transfer Agent**" means the Company's transfer agent, being Computershare Trust Company of Canada, and, where applicable to certain steps of the Arrangement, Computershare Investor Services Inc., or any successor thereto.

"**Treaty**" has the meaning ascribed thereto under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations*".

"**TSXV**" means the TSX Venture Exchange.

"**TSXV Conditional Approval**" means all necessary approvals of the TSXV for the conditional approval of the Private Placement and the other transactions contemplated under the Investment Agreement and the conditional listing by the TSXV of the Common Shares to be issued thereunder, including the Common Shares underlying the Warrants.

"**TSXV Final Approval**" means all necessary approvals of the TSXV for the final approval of the Private Placement and the other transactions contemplated under the Investment Agreement and the listing by the TSXV of the Common Shares to be issued thereunder, including the Common Shares underlying the Warrants.

"**TSXV Listing Date**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – The New Equity Incentive Plan*".

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

"**U.S. Exchange Act**" has the meaning ascribed thereto under "*Notice To Shareholders Not Resident In Canada*".

"**U.S. Person**" means a U.S. Person, defined in Rule 902(k) of Regulation S.

"**U.S. Securities Act**" has the meaning ascribed thereto under "*Notice To Shareholders Not Resident In Canada*".

"**U.S. Securityholders**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arrangement - Issuance and Resale of Westaim Delaware Shares under U.S. Securities Laws*".

"**Voting and Support Agreements**" has the meaning ascribed thereto under "*Business Of The Special Meeting – Overview Of The Transactions*".

"**VWAP**" means volume-weighted average trading price.

"**Warrants**" means the Incentive Warrants and the Par Warrants.

"**WCA**" has the meaning ascribed thereto under "*Business Of The Special Meeting – The Arena Reorganization*".

"**Westaim Delaware**" means the Company upon and following the Redomiciliation.

"**Westaim Delaware Shares**" means the shares of common stock of Westaim Delaware, to be issued in exchange for Common Shares pursuant to the Arrangement.

"**Willkie**" means Willkie Farr & Gallagher LLP.

"**Zwirn**" means Daniel Zwirn.

"**Zwirn Accrued Benefits**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Zwirn Employment Agreement – Termination Event*".

"**Zwirn Employment Agreement**" has the meaning ascribed thereto under "*Summary Of Key Documents And Agreements – Zwirn Employment Agreement*".

THE WESTAIM CORPORATION
("Westaim" or the "Company")

MANAGEMENT INFORMATION CIRCULAR

Introduction

This management information circular (the "**Information Circular**") is dated November 19, 2024 and is furnished in connection with the solicitation of proxies by and on behalf of management of the Company (the "**Management**") for use at the special meeting (the "**Meeting**") of holders of Common Shares (the "**Shareholders**") to be held at Vantage Venues, 150 King Street West, 27th Floor, Toronto, ON M5H 1J9, on December 19, 2024 at 9:00 a.m. (Eastern time) for the purposes set out in the notice of meeting (the "**Notice**") accompanying this Information Circular.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth in the Glossary of Terms or elsewhere in this Information Circular. Information contained in this Information Circular is given as of November 19, 2024, except where otherwise noted. Unless otherwise indicated, all references to "$" or "C$" in this Information Circular refer to Canadian dollars and all references to "US$" in this Information Circular refer to U.S. dollars.

No person has been authorized to give any information or to make any representation in connection with the Transactions and other matters described herein other than those contained in this Information Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company or the Investor.

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

Descriptions in this Information Circular of the terms of the Transactions, including the terms of the Investment Agreement, the Plan of Arrangement, the Fairness Opinion and the Interim Order, are summaries of the terms of those documents, and are qualified by reference to the full text of each of these documents. A copy of the Investment Agreement (including the exhibits thereto) has been filed on the Company's SEDAR+ profile and is available for viewing at www.sedarplus.ca. Copies of the Plan of Arrangement, the Interim Order and the Fairness Opinion are attached to this Information Circular as Appendix "G", Appendix "F", and Appendix "H", respectively. You are urged to carefully read the full text of these documents.

Unless otherwise indicated, all Common Share numbers and per Common Share dollar values provided in this Information Circular, including the appendices hereto, and the accompanying Letter to Westaim Shareholders and Notice have not been adjusted to reflect the Share Consolidation.

Information Pertaining to the Investor

Certain information in this Information Circular pertaining to the Investor including, but not limited to, information pertaining to the Investor under "*Information Pertaining To The Investor*" has been furnished by the Investor. Although the Company does not have any knowledge that would indicate that such information is untrue or incomplete, neither the Company nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for the failure by the Investor to disclose events or information that is unknown to the Company and that may affect the completeness or accuracy of such information.

FORWARD LOOKING INFORMATION

Certain statements in this Information Circular may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian and United States securities laws, including pursuant to the safe harbor provisions of the *Private Securities Litigation Reform Act of 1995* (collectively, "**forward-looking statements**"). Any statements that express or involve discussions with respect to predictions, target yields and returns, internal rates of return, expectations, beliefs, plans, projections, objectives, Arena assets under management, growth, assumptions or future events or performance (often, but not always using words or phrases such as "expects", "does not expect", "is expected", "seeks", "endeavours", "anticipates", "does not anticipate", "positioned", "confident", "plans", "advantaged", "estimates", "believes", "does not believe" or "intends", "does not intend" or similar terms and phrases, or stating that certain actions, events or results may, could, would, might or will occur or be taken, or achieved) or any other statements which are not statements of historical fact may be "forward-looking statements". In particular, but without limiting the foregoing, this Information Circular contains forward-looking statements pertaining to the new operating platform, the strategic partnership, including the anticipated benefits therefrom and financial projections resulting therefrom, the terms of the Transactions, the use of proceeds from the Transactions, anticipated timing of closing the Transactions, the Share Buyback and the Company's strategies.

The foregoing matters are subject to risks, uncertainties and other factors that could cause the Company's actual results to differ, possibly materially, from those in the forward-looking statements herein including, but not limited to: (a) that the parties may be unable to complete the Transactions, in whole or in part, because, among other reasons, the conditions to the completion of the Transactions may not be satisfied or waived, including receipt of the Required Shareholder Approvals for the Transactions, or a governmental authority such as the TSXV may prohibit, delay or refuse to grant approval for the consummation of some or all of the Transactions on acceptable terms; (b) uncertainty as to the timing of completion of the Transactions; (c) the occurrence of any event, change or other circumstance that could give rise to the termination of the Investment Agreement or other documents entered into by the parties in connection with the Transactions; (d) risks related to disruption of management's attention from the Company's ongoing business operations due to the Transactions; (e) the effect of the announcement of the Transactions on the Company's relationships with its clients, employees, regulators and customers; and (f) the outcome of any legal proceedings to the extent initiated against the Company or others in relation to the Transactions, as well as management's response to any of the aforementioned factors.

Forward-looking statements are based on expectations, estimates, assumptions, variables and projections as well as other relevant factors at the time the statements are made that are inherently uncertain, involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, the risk factors discussed in the AIF, which is available on SEDAR+ at www.sedarplus.ca, as same may be supplemented, modified or superseded by a subsequently filed annual information form, as well as the matters noted in the *"Risk Factors*" section of this Information Circular. Except as required by law, the Company does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking statement or to update such forward-looking statement.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended and there can be no guarantee that any of the forward-looking statements contained herein, including the estimates or projections (including projections of revenue, expense and earnings) set forth herein, will be achieved to any extent. Completion of the Transactions is subject to the satisfaction of certain regulatory requirements and the receipt of all necessary regulatory approvals, shareholder approval and the approval of the TSXV. There can be no certainty, nor can the Company provide any assurance, that these or other conditions will be satisfied or, if satisfied, when they will be satisfied. There can be no assurance that the Transactions, or the anticipated benefits therefrom, will occur or be realized on the terms as proposed and described herein or at all. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Nothing contained herein is, or shall be relied upon as, a promise or representation as to past or future performance. Past performance is not a reliable indicator of future results and should not be relied upon for any reason. Accordingly, you should not place undue reliance on any forward-looking statements contained herein. Forward-looking statements contained herein speak only as of the date of this Information Circular, and the Company hereby expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statement contained herein to reflect

any change in expectations with regard thereto or change in events, conditions or circumstances on which any forward-looking statement is based, except in accordance with applicable securities laws.

QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS AND THE SPECIAL MEETING

The following are general questions that you, as a Shareholder, may have regarding attending and voting at the Meeting. It is expected that solicitation of proxies by or on behalf of the management of the Company for use at the Meeting, and any adjournments or postponements thereof, will be by electronic means, mail, newspaper publication, in person, by telephone or through oral communication by representatives of the Company. The Company has also retained Kingsdale Advisors to act as the Company's strategic shareholder advisor and proxy solicitation agent and to assist the Company in its solicitation of proxies from Shareholders in Canada and the United States. Custodians and fiduciaries will be supplied with proxy materials to forward to Non-registered Shareholders and normal handling charges will be paid for such forwarding services. The Record Date to determine the Shareholders entitled to receive notice of and vote at the Meeting is November 11, 2024. In the event of any delays in receiving materials due to labour disruptions, non-registered Shareholders are encouraged to **contact their brokers** in order to obtain their control numbers and vote at the Meeting.

The information contained below is of a summary nature and therefore is not complete and is qualified in its entirety by the more detailed information contained elsewhere in or incorporated by reference into the Information Circular, including the appendices hereto and thereto, and the Proxy Instrument, all of which are important and should be reviewed carefully.

Q: Where and when will the Meeting be held?

A: The Meeting will be held at Vantage Venues, 150 King Street West, 27th Floor, Toronto, ON M5H 1J9, on December 19, 2024 at 9:00 a.m. (Eastern time).

Q: What am I being asked to vote on?

A: Shareholders are being asked to vote on the Approval Resolutions to approve, among other things, (a) the Arrangement Resolution (substantially in the form of the special resolution set forth as Appendix "A") approving the Plan of Arrangement, whereby, among other things, the Company will effectuate the Share Consolidation and the Redomiciliation; (b) the Private Placement Resolution (substantially in the form of the ordinary resolution set forth as Appendix "B") approving the Private Placement; (c) the Arena Reorganization Resolution approving the Arena Reorganization; and (d) the New Equity Incentive Plan Resolution, approving the New Equity Incentive Plan.

Q: What is the voting recommendation of the Board?

A: Following the unanimous recommendation of the Special Committee, the Board has unanimously recommended that the Shareholders vote in favour of the Approval Resolutions at the Meeting authorizing the Company to (a) proceed with the Arrangement, (b) consummate the Private Placement, (c) complete the Arena Reorganization, and (d) adopt the New Equity Incentive Plan.

Q: What are the reasons for the Special Committee's and the Board's recommendations?

A: The unanimous recommendations of the Special Committee and the Board that the Shareholders vote **FOR** the Approval Resolutions are based on various factors, including, but not limited to, those presented in the Information Circular under the heading "*Business Of The Special Meeting – Recommendations Of The Special Committee And The Board*."

Q: When is the voting deadline?

A: Registered Shareholders are encouraged to submit their proxies as soon as possible to ensure that their votes are counted. Assuming that there are no adjournments or postponements of the Meeting, the proxy cut-off

time is 9:00 a.m. (Eastern time) on December 17, 2024 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the adjourned Meeting is reconvened or the postponed Meeting is convened. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

A Non-registered Shareholder exercising voting rights through an Intermediary should consult the voting instruction form from such Non-registered Shareholder's Intermediary, as the Intermediary may have different and earlier deadlines.

Q: Who is entitled to vote?

A: The Record Date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is November 11, 2024. In accordance with the provisions of the ABCA, the Company will prepare a list of the Company's Registered Shareholders as of the Record Date. If you were a Shareholder as of the Record Date, you will be entitled to vote at the Meeting.

Q: How can I vote?

A: You should carefully read and consider the information contained in the Information Circular. Registered Shareholders and duly appointed proxyholders may vote on matters presented at the Meeting in any of the following ways:

- **In-Person During the Meeting**: If you are a Registered Shareholder of Common Shares, you can attend and vote in person at the Meeting. Non-registered Shareholders of Common Shares wishing to vote in person at the Meeting should complete the Proxy Instrument or voting instruction form sent by such Non-registered Shareholder's Intermediary in order to appoint such Non-registered Shareholder as a proxyholder;

- **Via the Internet**: You may vote or appoint a proxyholder through the internet by going to https://www.investorvote.com, entering the 15-digit control number found on your Proxy Instrument and following the instructions;

- **Via Mail**: Complete, sign and date your Proxy Instrument and return it to the Transfer Agent, Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 in the envelope provided; or

- **Via Telephone**: Call the number located on your Proxy Instrument to vote or appoint a proxyholder. Please note that you cannot appoint anyone other than the directors and officers named on your Proxy Instrument as your proxyholder if you vote by telephone. You will need your 15-digit control number found on your Proxy Instrument.

The Company's named proxyholders are Ian Delaney, J. Cameron MacDonald and Robert Kittel. A Shareholder who wishes to appoint another person (who need not be a Shareholder) to represent such Shareholder at the Meeting should strike out the names of the management designees in the enclosed Proxy Instrument and insert the name of the desired representative in the blank space provided in such Proxy Instrument or submit another appropriate Proxy Instrument permitted by Law and, in either case, send or deliver the completed proxy to the offices of the Transfer Agent by the below-mentioned deadline. Proxyholders should, on arrival at the Meeting, present themselves to a representative of the Transfer Agent.

Q: How can Non-registered Shareholders vote their Common Shares?

A: If your Common Shares are not registered in your name, but are held in the name of an Intermediary, your Intermediary is required to seek your instructions as to how to vote your Common Shares. Your Intermediary will have provided you with a package of information, including these meeting materials and either a Proxy

Instrument or a voting instruction form. Carefully follow the instructions accompanying the Proxy Instrument or voting instruction form.

Additionally, the Company may use the Broadridge QuickVote™ service to assist Non-registered Shareholders with voting their Common Shares. Non-registered Shareholders may be contacted by Kingsdale Advisors, the Company's proxy solicitation agent, to conveniently obtain a vote directly over the telephone. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions with respect to the Common Shares to be represented at the Meeting.

Q: Who is soliciting my proxy?

A: Your proxy is being solicited by management of the Company. The Information Circular is furnished in connection with such solicitation. The solicitation of proxies for the Meeting will be made primarily by electronic means, mail, newspaper publication, in person, by telephone or through oral communication by representatives of the Company, including Kingsdale Advisors.

If you have questions or need assistance completing your Proxy Instrument or voting instruction form, please contact Kingsdale Advisors, by telephone at 1-866-581-1489 (toll-free in North America) or at 1-416-623-2517 (collect call and text enabled outside of North America), or by email at contactus@kingsdaleadvisors.com. You may also visit www.WEDfuture.com for easy access to voting portals and information on the Meeting.

Q: What constitutes a quorum for the Meeting?

A: A quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder for an absent shareholder so entitled, and together holding or representing by proxy not less than 25% of the outstanding Common Shares entitled to vote at the Meeting.

Q: What if I return my Proxy Instrument but do not mark it to show how I wish to vote?

A: If your Proxy Instrument is signed and dated and returned without specifying your choice or is returned specifying both choices, your Common Shares will be voted in favour of the approval of the Arrangement Resolution, the Private Placements Resolution, the Arena Reorganization Resolution and the New Equity Incentive Plan Resolution to be considered at the Meeting. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast.

Q: What are the conditions to completion of the Transactions?

A: Closing of the Transactions is subject to limited conditions, including receipt of certain regulatory approvals including, without limitation, approval of the TSXV, the Required Shareholder Approvals and other customary closing conditions. The Transactions are not conditional on due diligence or financing conditions.

Salem Partners' acquisition of ManhattanLife and the Arena Reorganization are contingent on the completion of the Private Placement, but the completion of Salem Partners' acquisition of ManhattanLife is not a condition to completion of the other Transactions.

The completion of the Arena Reorganization is a condition precedent to the closing of the Private Placement and, if the Private Placement Resolution and the Arena Reorganization Resolution are both approved, the completion of the Private Placement and the Arena Reorganization is conditioned upon the approval of (a) the Arrangement Resolution and the completion of the Share Consolidation and the Redomiciliation contemplated thereby and (b) the New Equity Incentive Plan Resolution.

If the Arrangement Resolution is approved, the completion of the Arrangement is not conditioned upon the approval of any other Approval Resolutions at the Meeting and, if the Arrangement Resolution is approved,

the Company may implement and effectuate the Arrangement without regard to (and prior to) the closing of any of the other transactions contemplated by the Investment Agreement.

Q: What approvals are required for the Approval Resolutions?

A: The Arrangement Resolution, to be effective, must be approved by not less than 66⅔% of the votes on the Arrangement Resolution cast by Shareholders present in person or represented by proxy at the Meeting.

The Private Placement Resolution, to be effective, must be approved by not less than a simple majority of the votes on the Private Placement Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by the Investor and any other Shareholders that are required to be excluded in accordance with the policies of the TSXV).

The Arena Reorganization Resolution, to be effective, must be approved by not less than a simple majority of the votes on the Arena Reorganization Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by Daniel Zwirn, Lawrence Cutler and any other Shareholders that are required to be excluded in accordance with MI 61-101).

The New Equity Incentive Plan Resolution, to be effective, must be approved by not less than a simple majority of the votes on the New Equity Incentive Plan Resolution cast by Shareholders present in person or represented by proxy at the Meeting.

Q: When are the Transactions expected to become effective?

A: The parties expect to complete the Transactions by the end of the first quarter of 2025, subject to receipt of certain regulatory approvals including, without limitation, approval of the TSXV, the Required Shareholder Approvals and satisfaction of other customary closing conditions.

The completion of the Arrangement (including the Share Consolidation and the Redomiciliation contemplated thereby) is not conditioned upon the approval of any other resolutions at the Meeting or the other conditions to the completing of the other Transactions and, if the Arrangement Resolution is approved, the Company may implement and effectuate the Arrangement (including the Share Consolidation and the Redomiciliation) prior to the closing of any of the other Transactions.

Q: What risks are associated with the Transactions?

A: For a description of the risks associated with the Transactions, please see the section of the Information Circular entitled "*Risk Factors*".

Q: Am I required to submit a Letter of Transmittal?

A: If you are a Registered Shareholder who holds share certificate(s) representing your Common Shares, in order to receive either (a) a certificate or DRS Statement representing the Westaim Delaware Shares to which you may be entitled upon completion of the Arrangement (including the Share Consolidation), or (b) the cash to which you may be entitled if you will hold less than one whole Common Share after completion of the Share Consolidation, you must submit the enclosed Letter of Transmittal, including any certificate(s) or DRS Statement(s) representing your Common Shares, to Computershare Investor Services Inc., in accordance with the instructions in such Letter of Transmittal. Non-registered Shareholders and holders of DRS Statements are not required to submit a Letter of Transmittal.

In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*Business Of The Special Meeting – The Arrangement – Letter of Transmittal*" for information on how to obtain and submit a Letter of Transmittal.

Q: What if I have other questions?

A: Shareholders that have questions regarding the Meeting or require further assistance are encouraged to contact the proxy solicitation agent, Kingsdale Advisors by telephone at 1-866-581-1489 (toll-free in North America) or at 1-416-623-2517 (collect call and text enabled outside of North America), or by email at contactus@kingsdaleadvisors.com. You may also visit www.WEDfuture.com for easy access to voting portals and information on the Meeting.

GENERAL STATUTORY INFORMATION

Solicitation of Proxies

Solicitation of proxies for the Meeting will be primarily by mail, the cost of which will be borne by the Company. Proxies may also be solicited personally by employees of the Company at nominal cost to the Company. In some instances, the Company has distributed copies of the Notice, the Information Circular, and the Proxy Instrument (collectively, the "**Documents**") to Intermediaries for onward distribution to Non-registered Shareholders. The Intermediaries are required to forward the Documents to Non-registered Shareholders.

The Company, pursuant to an engagement agreement between the Company and Kingsdale Advisors, has retained Kingsdale Advisors to provide a broad array of strategic advisory, governance, strategic communications, digital and investor campaign services to the Company, including the solicitation of proxies. Pursuant to the engagement agreement with Kingsdale Advisors, the Company will pay Kingsdale Advisors a fee of approximately C$250,000 as well as a fee per call and an additional fee in connection with strategic communications made by Kingsdale Advisors, if required. Additionally, the Company will pay Kingsdale Advisors a success fee of C$25,000 if the Shareholders approve the Transactions.

If you have any questions or require assistance in voting your proxy, please contact Kingsdale Advisors, by telephone at 1-866-581-1489 (toll-free in North America) or at 1-416-623-2517 (collect call and text enabled outside North America), or by email at contactus@kingsdaleadvisors.com. You may also visit www.WEDfuture.com for easy access to voting portals and information on the Meeting.

Solicitation of proxies from Non-registered Shareholders will be carried out by Intermediaries, or by the Company if the names and addresses of Non-registered Shareholders are provided by the Intermediaries.

Non-registered Shareholders

Non-registered Shareholders who have received the Documents from their Intermediary should, other than as set out herein, follow the directions of their Intermediary with respect to the procedure to be followed for voting at the Meeting. Generally, Non-registered Shareholders will either:

(a) be provided with a Proxy Instrument executed by the Intermediary but otherwise uncompleted. The Non-registered Shareholder may complete the proxy and return it directly to the Transfer Agent; or

(b) be provided with a request for voting instructions. The Intermediary is required to send the Company an executed Proxy Instrument completed in accordance with any voting instructions received by the Intermediary.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (a) delivering these materials to you, and (b) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Appointment of Proxyholders

The persons named in the enclosed Proxy Instrument are directors and/or officers of the Company. **SHAREHOLDERS HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY TO REPRESENT HIM, HER OR IT AT THE SPECIAL MEETING OTHER THAN THE PERSONS DESIGNATED IN THE PROXY INSTRUMENT** either by striking out the names of the persons designated in the Proxy Instrument and by inserting the name of the person or company to be appointed in the space provided in the Proxy Instrument or by completing another proper Proxy Instrument and, in either case, delivering the completed proxy to the Transfer Agent by: (a) mail using the enclosed return envelope; or (b) hand delivery to the Transfer Agent at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll-free within North America) or 1-312-588-4290 (outside North America), by Internet using the 15 digit control number located at the bottom of the Proxy Instrument at www.investorvote.com or by facsimile to 1-866-249-7775/416-263-9524. All instructions are listed on the enclosed Proxy Instrument. Your proxy or voting instructions must be received in each case no later than 9:00 a.m. (Eastern time) on December 17, 2024 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the beginning of any adjournment or postponement of the Meeting.

For Registered Shareholders who do not receive physical delivery of the Proxy Instrument by mail due to a postal disruption as a result of a Canada Post labour disruption or any other cause, the Proxy Instrument for use by Registered Shareholders is also available under the Company's profile at www.sedarplus.ca and on the Company's corporate website at www.westaim.com. In the event of a postal disruption, Registered Shareholders are encouraged to complete the form of proxy and return it by courier to Computershare Trust Company of Canada, located at 100 University Avenue, 8th floor, Toronto, Ontario M5J 2Y1 or by fax at 1-866-249-7775 (Toll Free North America) or 416-263-9524 (International) or online at www.investorvote.com, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) before the time set for the Meeting.

Revocation of Proxy

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it:

(a) by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and delivered to the attention of the Corporate Secretary of the Company c/o Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used;

(b) by delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof;

(c) by attending the Meeting and voting the Common Shares; or

(d) in any other manner permitted by Law.

Non-registered Shareholders who wish to change their vote must contact their Intermediary to discuss their options well in advance of the Meeting.

Voting of Proxies and Discretion Thereof

COMMON SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES IN FAVOUR OF PERSONS DESIGNATED IN THE PRINTED PORTION OF THE ENCLOSED PROXY INSTRUMENT WILL, UNLESS OTHERWISE INDICATED, BE VOTED FOR THE APPROVAL RESOLUTIONS. The Common Shares represented by the Proxy Instrument will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The enclosed Proxy Instrument confers

discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice or other matters which may properly come before the Meeting. At the date of this Information Circular, Management knows of no such amendments, variations or other matters to come before the Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed Proxy Instrument to vote such proxy according to their best judgment.

BUSINESS OF THE SPECIAL MEETING

Overview of the Transactions

The following is a summary of information relating to the Company and the Transactions and should be read together with the more detailed information contained elsewhere in this Information Circular, including the Appendices attached hereto.

On October 9, 2024, the Company entered into the Investment Agreement whereby, among other things, (a) the Company agreed to, subject to the requisite approvals, including approval of the Shareholders, implement the Arrangement, pursuant to which, among other things, the Company will effectuate the Share Consolidation and the Redomiciliation, and (b) the Investor, an affiliate of CC Capital, agreed to make a US$250 million strategic investment in the Company via a private placement offering to acquire Common Shares and Warrants.

Pursuant to the Investment Agreement, the parties thereto also agreed, among other things, that (a) upon completion of the Private Placement, the Company, the Investor and Arena will enter into an investor rights agreement (the "**Investor Rights Agreement**"), (b) the Company will commit to invest up to US$620 million in a new investment vehicle named Salem Group Partners, L.P. ("**Salem Partners**"), which will be controlled by an affiliate of CC Capital, in exchange for 100% of the limited partnership interests of Salem Partners (such commitment the "**Salem Partners Investment**"). Subject to receipt of regulatory approval and other conditions, Salem Partners will acquire an affiliate of CC Capital that has entered into an agreement to purchase ManhattanLife, which is to be rebranded "Ceres Life" ("**Ceres Life**"), (c) the Arena Reorganization will be effected, and (d) Arena will enter into an investment management agreement ("**IMA**") with an affiliate of CC Capital, pursuant to which Arena is expected to manage up to 90% of the total investable assets of Ceres Life, as sub-manager (e) the Company will adopt the New Equity Incentive Plan and (f) the Board will be reconstituted conditional upon, and effective immediately following, closing of the Private Placement, to be comprised of the Post-Private Placement Board.

The Company expects to complete the Private Placement, the Arena Reorganization, the Salem Partners Investment and the other transactions contemplated by the Investment Agreement by the end of the first quarter of 2025, subject to completion of the Arrangement, receipt of certain regulatory approvals including, without limitation, approval of the TSXV, approval by the Shareholders and satisfaction of other customary closing conditions.

CC Capital is currently an arm's length party to the Company. Following completion of the Transactions, CC Capital will be a "Control Person" of the Company.

In connection with the Investment Agreement, certain Shareholders collectively holding approximately 40% of the issued and outstanding Common Shares, including each of the Company's directors and members of its senior management, have entered into Voting and Support Agreements with the Investor pursuant to which they have agreed to vote all Common Shares held by them in favour of the Approval Resolutions, subject to customary exceptions.

The Arrangement

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, approve the Arrangement Resolution, approving the Plan of Arrangement, whereby, among other things, the Company will (a) accelerate the vesting of all RSUs outstanding immediately prior to the Effective Time and settle all outstanding RSUs in exchange for a cash payment for each such RSU equal to the Company Share Value, less applicable tax withholdings, (b) effectuate a consolidation of its Common Shares on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares (the "**Share Consolidation**"), and (c) be continued from the jurisdiction of the

ABCA and concurrently domesticated in the State of Delaware pursuant to the provisions of Section 388 of the DGCL (the "**Redomiciliation**").

The Private Placement and the other transactions described in the Investment Agreement are conditioned upon completion of the Arrangement. Completion of the Arrangement, however, including the Share Consolidation and the Redomiciliation, is not conditioned on completion of the Private Placement, and the other transactions contemplated in the Investment Agreement. The Company intends to proceed with the Arrangement even if the Private Placement and other transactions contemplated in the Investment Agreement are not completed.

A summary of the Plan of Arrangement is provided under "*Summary Of Key Documents And Agreements – Plan of Arrangement*".

Pursuant to the Interim Order, the Arrangement Resolution, to be effective, must be approved by not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

The Board and the Special Committee unanimously recommend that Shareholders vote **FOR** the Arrangement Resolution at the Meeting.

RSU Settlement

As part of the Arrangement, each RSU outstanding immediately prior to the Effective Time, to the extent not exercised before the occurrence of the Arrangement as contemplated by and in accordance with the Investment Agreement, (a) that has not yet vested in accordance with its terms, shall be accelerated so that such RSU is fully vested; and (b) shall, without any further action by or on behalf of the holder thereof, be deemed to be surrendered and transferred to the Company in exchange for a cash payment for each such RSU equal to the Company Share Value, less applicable tax withholdings.

Consolidation

As part of the Arrangement, the Common Shares will be consolidated on a 6:1 basis. At the close of business on the Record Date, the closing price of the Common Shares on the TSXV was C$4.94 and there were 128,172,385 Common Shares issued and outstanding. The Company does not expect the Share Consolidation itself to have any meaningful economic effect on the Shareholders or holders of securities exercisable or exchangeable for, or convertible into, Common Shares, except to the extent the Share Consolidation will result in fractional shares as discussed below.

If the Arrangement is approved and implemented, the principal effect of the Share Consolidation will be to proportionately decrease the number of issued Common Shares, based on the Share Consolidation ratio described above. The Share Consolidation will not affect the listing of the Common Shares on the TSXV. Following the Share Consolidation and the Redomiciliation, the Common Shares will continue to be listed on the TSXV under the symbol "WED".

Moreover, the exercise or conversion price and/or the number of shares of the Company issuable under any of the Company's outstanding convertible securities, stock options, share units, rights and any other similar securities, and the number of Common Shares reserved for issuance under the Company Equity Plan, will be proportionately adjusted upon the implementation of the Share Consolidation on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares. Further, Shareholder approval is not required in order for the Board to make the necessary adjustments mentioned above in order to give effect to the Share Consolidation.

Since the Share Consolidation would apply to all of the issued and outstanding Common Shares, the proportionate voting and equity interests in the Company and other rights, preferences, privileges or priorities of the holders of Common Shares will not be affected by the Share Consolidation, other than as a result of the treatment of fractional shares as described below. For example, a holder of 2% of the voting power attached to all of the outstanding Common Shares immediately prior to the Effective Date of the Share Consolidation will generally continue to hold 2% of the voting power attached to all of the outstanding Common Shares immediately after the Effective Date of the Share

Consolidation. The number of registered Shareholders will not be affected by the Share Consolidation (except to the extent any are cashed out as a result of holding fractional shares).

No fractional shares will be issued or delivered to registered holders of Common Shares in connection with Share Consolidation. In the event that the change in the number of the issued and outstanding Common Shares as a result of the Share Consolidation would result in (a) any Shareholder of record holding fewer than one whole Common Share after giving effect to the Share Consolidation, such Shareholder of record shall receive a cash payment of $4.75 for each pre-Share Consolidation Common Share held by such Shareholder in lieu of any post-Share Consolidation Common Shares, up to a maximum cash payment of C$23.75 per Shareholder; and (b) any Shareholder holding greater than one Common Share after giving effect to the Share Consolidation, any fractional Common Shares held by such Shareholder will, (i) if equal to or greater than one-half of one whole post-Share Consolidation Common Share, be rounded up to the nearest whole Common Share; and (ii) if less than one-half of one whole post-Share Consolidation Common Share, be rounded down to the nearest whole Common Share.

If approved and implemented, the Share Consolidation may result in some Shareholders owning "odd lots" of fewer than 100 Common Shares. Odd lot shares may be more difficult to sell, and brokerage commissions and other costs of transactions in odd lots may be higher than the costs of transactions in "round lots" of even multiples of 100. The Board believes, however, that these potential effects are outweighed by the anticipated benefits of the Share Consolidation.

Redomiciliation – General

As part of the Arrangement, the Board is proposing to change the Company's jurisdiction of incorporation from the Province of Alberta in Canada to the State of Delaware in the United States through a "continuance" transaction under Section 189 of the ABCA and a "domestication" under Section 388 of the DGCL. Under the DGCL, a Company becomes domesticated in the State of Delaware by filing a certificate of corporate domestication and a certificate of incorporation with the Secretary of State of the State of Delaware.

The Redomiciliation will be effective on the date set forth in the certificate of corporate domestication and the certificate of incorporation, as filed with the office of the Secretary of State of the State of Delaware. The domesticated Westaim Delaware, which will be called "*The Westaim Corporation*", will become subject to the DGCL on the date of its domestication, but will be deemed for the purposes of the DGCL, to have been incorporated under the laws of the State of Delaware from the incorporation date of the Company under the ABCA.

The Redomiciliation will not interrupt the corporate existence or operations of the Company, or the trading market of the Common Shares. Each outstanding Common Share at the time of the Redomiciliation will remain issued and outstanding as a Common Share. The Redomiciliation will change the corporate laws that apply to the Shareholders from the laws of the Province of Alberta, and the laws of Canada applicable therein, to the laws of the State of Delaware and the laws of the United States of America as applicable therein. The principal attributes of the Company's capital stock before and after Redomiciliation are comparable; however, there will be material differences in the rights of Shareholders under Delaware law and Shareholders may have more or fewer rights under Delaware law depending on the specific set of circumstances. For a discussion of the differences between the rights of stockholders under the DGCL and the rights of shareholders under the ABCA, please see Appendix "E".

Principal Reasons for the Redomiciliation

The Redomiciliation is intended to enhance shareholder value over the long term by, among other things, facilitating the attraction of capital, aligning the domicile of the parent entity within the location of operations after closing of the Transactions, and ensuring that the Company will not continue to be treated as a "passive foreign investment company" for U.S. federal income tax purposes following the Redomiciliation (see "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – PFIC Considerations*"). The Board chose the State of Delaware to be the Company's jurisdiction principally because the DGCL expressly accommodates continuances under the ABCA and because of the comprehensive body of case law interpreting the DGCL that has evolved over the years, including case law interpreting the duties and obligations of directors and officers.

Effect of Change of Jurisdiction

The Redomiciliation will not interrupt the corporate existence or operations of the Company. On the date set forth in the certificate of corporate domestication and the certificate of incorporation, the Redomiciliation shall be effective and the Company shall continue under the DGCL in accordance with the following:

- the name of Westaim Delaware shall be "The Westaim Corporation";
- there shall be filed with the Secretary of State of the State of Delaware a certificate of domestication and a certificate of incorporation of Westaim Delaware in the form set forth in Exhibit A to the Plan of Arrangement;
- the by-laws of Westaim Delaware shall be in the form set forth in Exhibit B to the Plan of Arrangement;
- the authorized capital of Westaim Delaware shall consist of 160,000,000 Westaim Delaware Shares and 100,000,000 shares of preferred stock, par value US$0.001 per share, as set forth in the certificate of incorporation of Westaim Delaware referred to above;
- each issued and outstanding Common Share (for greater certainty, other than those Common Shares (if any) previously transferred to the Company by Dissenting Shareholders and immediately cancelled by the Company) shall be exchanged for one (1) fully paid and non-assessable Westaim Delaware Share;
- the property of the Company shall continue to be the property of Westaim Delaware;
- Westaim Delaware shall continue to be liable for the obligations of the Company;
- any existing cause of action, claim or liability to prosecution in respect of the Company shall be unaffected;
- any civil, criminal or administrative action or proceeding pending by or against the Company may be continued to be prosecuted by or against Westaim Delaware; and
- any conviction against, or ruling, order or judgement in favour of or against the Company may be enforced by or against Westaim Delaware.

The principal attributes of the Company's capital stock before and after Redomiciliation will be comparable; however, there will be material differences in the rights of Shareholders under Delaware law and Shareholders may have more or fewer rights under Delaware law depending on the specific set of circumstances. For a discussion of the differences between the rights of stockholders under the DGCL and the rights of shareholders under the ABCA, please see Appendix "E". Shareholders should consult their tax advisors for advice with respect to the tax consequences to them of the Redomiciliation in their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

Canadian Securities Laws and Stock Exchange Implications

Subject to the Share Consolidation, the outstanding Common Shares at the time of the Redomiciliation will remain issued and outstanding as Common Shares after the corporate existence of the Company is continued from Alberta under the ABCA and domesticated in Delaware under the DGCL. Following the completion of the Redomiciliation, the Common Shares will continue to be listed on the TSXV, under the symbol "WED." The Company will continue to be subject to the rules and regulations of the TSXV and the obligations imposed by the Canadian Securities Regulators.

Issuance and Resale of Westaim Delaware Shares under U.S. Securities Laws

The following discussion is a general overview of certain requirements of U.S. federal securities laws that may be applicable to holders of Westaim Delaware Shares in the United States (**"U.S. Securityholders"**). All U.S.

Securityholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Westaim Delaware Shares issued to them under the Arrangement complies with applicable securities legislation.

Further information applicable to U.S. Securityholders is disclosed under the heading "Notice to Shareholders not Resident in Canada".

The following discussion does not address the Canadian securities laws that will apply to the issue of Westaim Delaware Shares or the resale of these securities by U.S. Securityholders within Canada. U.S. Securityholders reselling their Westaim Delaware Shares in Canada must comply with Canadian securities laws.

Exemption from the Registration Requirements of the U.S. Securities Act

The Westaim Delaware Shares to be issued pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued in reliance upon the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act and exemptions provided under the securities laws of each state of the United States in which U.S. Securityholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration the distribution of a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by Law to grant such approval. Accordingly, the Final Order will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the Westaim Delaware Shares issued in connection with the Arrangement.

Resales of Westaim Delaware Shares Within the United States After the Completion of the Arrangement

Persons who are not "affiliates" of Westaim Delaware after the completion of the Arrangement may resell in the United States the Westaim Delaware Shares that they receive in connection with the Arrangement, without restriction under the U.S. Securities Act. As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the issuer and may include certain officers and directors of such issuer as well as principal shareholders of such issuer.

Westaim Delaware Shares received by a holder who will be an "affiliate" of Westaim Delaware after the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. Persons who are affiliates of Westaim Delaware after the Arrangement may not sell the Westaim Delaware Shares that they receive in connection with the Arrangement in the absence of registration under the U.S. Securities Act or an exemption from registration, if available, such as the exemption contained in Rule 144 under the U.S. Securities Act.

Affiliates – Rule 144. In general, pursuant to Rule 144 under the U.S. Securities Act, persons who are affiliates of Westaim Delaware after the Arrangement will be entitled to sell in the United States, during any three-month period, the Westaim Delaware Shares that they receive in connection with the Arrangement, provided that (a) the number of such securities sold does not exceed the greater of one percent of the number of then outstanding securities of such class or (b) if such securities are listed on a United States securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, in each case subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about Westaim Delaware. Persons who are affiliates of Westaim Delaware after the Arrangement will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of Westaim Delaware.

Affiliates – Regulation S. In general, under Regulation S, persons who are affiliates of Westaim Delaware solely by virtue of their status as an officer or director of Westaim Delaware may sell the Westaim Delaware Shares outside the United States in an "offshore transaction" (which would include a sale through the TSXV, if applicable) if neither the seller nor any person acting on its behalf engages in "directed selling efforts" in the United States and no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker's commission. For purposes of Regulation S, "directed selling efforts" means "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered" in the sale transaction. Certain additional restrictions are applicable to a holder of

Westaim Delaware Shares who is an affiliate of Westaim Delaware after the Arrangement other than by virtue of his or her status as an officer or director of Westaim Delaware.

Treatment of the Outstanding Common Shares

From and after effective time of the Redomiciliation, certificates formerly representing Common Shares shall represent only the right to receive the Westaim Delaware Shares that Shareholders are entitled to under the Arrangement, or as to those certificates representing Common Shares held by Dissenting Shareholders (other than Dissenting Shareholders deemed to have participated in the Arrangement pursuant to the Plan of Arrangement), to receive the fair value of the Common Shares formerly represented by such certificates. Westaim Delaware shall, as soon as practicable, and in any event within five business days following the later of the Effective Date, and the deposit by a former holder of Common Shares of a duly executed and completed Letter of Transmittal and the certificates formerly representing such Common Shares, either:

- forward or cause to be forwarded by first class mail (postage prepaid) to such former holder at the address specified in the Letter of Transmittal; or

- if requested by such former holder in the Letter of Transmittal, make available or cause to be made available at the Transfer Agent for pickup by such former holder,

a certificate representing the number of Westaim Delaware Shares to be received by such former holder of Common Shares under the Arrangement.

No Change in Business, Locations, or Fiscal Year

The Redomiciliation will effect a change in the jurisdiction of incorporation of the Company and the location of the Company's registered office, and other changes of a legal nature, including changes in the Company's organizational documents, which are described in this Information Circular. Following the Redomiciliation, the executive offices of the Company will be relocated to New York, New York and the Company's existing executive offices in Canada will be utilized by a Canadian subsidiary of the Company. The business, assets and liabilities of the Company, as well as the fiscal year, will be the same upon the effectiveness of the Redomiciliation as they are prior to the Redomiciliation. Upon effectiveness of the Redomiciliation, all of the Company's obligations will continue as outstanding and enforceable obligations of the Company.

Letter of Transmittal

If you are a Registered Shareholder who holds share certificate(s) representing your Common Shares, in order to receive either (a) a certificate or DRS Statement representing the Westaim Delaware Shares to which you may be entitled upon completion of the Arrangement (including the Share Consolidation), or (b) the cash to which you may be entitled if you will hold less than one whole Common Share after completion of the Share Consolidation, you must submit the enclosed Letter of Transmittal, including any certificate(s) representing your Common Shares, to Computershare Investor Services Inc., in accordance with the instructions in such Letter of Transmittal. Non-registered Shareholders and Registered Shareholders who hold a DRS Statement are not required to submit a Letter of Transmittal.

Registered Shareholders holding share certificate(s) that immediately prior to the Effective Time represented one or more outstanding Common Shares and that have been lost, stolen or destroyed, should complete the Letter of Transmittal as fully as possible and forward the Letter of Transmittal together with a letter describing the lost certificate(s) to the Transfer Agent. In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares that were exchanged pursuant to the Plan of Arrangement 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, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate and such Shareholder's Letter of Transmittal either the cash payment or the certificate(s) or DRS Statement(s) representing the Westaim Delaware Shares that such Shareholder has the right to receive in accordance with Section 4.1(b). When authorizing such issuance in exchange for any lost, stolen or destroyed certificate, the person to whom

such payment, certificate(s) or DRS Statement(s) are to be delivered shall as a condition precedent to the delivery of such payment, certificate(s) or DRS Statement(s), give a bond satisfactory to the Consenting Parties and the Transfer Agent (each acting reasonably) or otherwise indemnify Westaim Delaware and the Transfer Agent in a manner satisfactory to the Consenting Parties and the Transfer Agent (each acting reasonably) against any claim that may be made against Westaim Delaware or the Transfer Agent with respect to the certificate alleged to have been lost, stolen or destroyed.

To the extent a holder of certificates formerly representing Common Shares that were exchanged pursuant to the Plan of Arrangement shall have not complied with the provisions of Section 4.1 of the Plan of Arrangement on or before the date that is six years after the Effective Date (the "**Final Proscription Date**"), then: (a) any cash payment to which the holder of such certificate was entitled under the Plan of Arrangement (to the extent such holder will hold less than one whole Westaim Delaware Share after giving effect to the Share Consolidation) shall cease to represent a right or claim of any kind or nature and the right of the holder to receive any applicable cash payment pursuant to the Arrangement shall terminate and be deemed to be surrendered and forfeited to the Company for no consideration; (b) the certificates formerly representing Company Common Shares shall cease to represent a right or claim of any kind or nature as of such Final Proscription Date, and (c) any payment made by way of cheque by the Transfer Agent (to the extent such holder will hold less than one whole Westaim Delaware Share after giving effect to the Share Consolidation) that has not been deposited or has been returned to the Transfer Agent or that otherwise remains unclaimed, in each case, on or before the Final Proscription Date shall cease to represent a right or claim of any kind or nature.

In the event Registered Shareholders have not received a Letter of Transmittal due to a postal disruption as a result of a Canada Post labour disruption or other cause, copies of the Letter of Transmittal may be obtained under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's corporate website at www.westaim.com. In the event of a postal disruption, the Company recommends that Registered Shareholders deposit with Computershare Investor Services Inc. certificate(s) representing their Common Shares, together with the Letter of Transmittal and other required documents, either (a) by hand and receipt therefor obtained; or (ii) by courier (other than Canada Post) and the appropriate insurance obtained, to ensure such deposit is not delayed by any Canada Post disruption.

The Private Placement

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, approve the Private Placement Resolution, approving the Private Placement. Pursuant to the Investment Agreement, in connection with the Private Placement, the Company, agreed to issue to the Investor in exchange for US$250 million in cash:

(a) 71,878,947 Common Shares, representing an approximately 36% ownership interest in the Company, having an implied price of C$4.75 per Common Share in cash, which represents an approximately 18.2% premium to the closing price of the Common Shares on October 8, 2024 (the last trading day prior to the entering into of the Investment Agreement) and an approximately 25% premium to the 180-day VWAP of the Common Shares as of such date;

(b) Par Warrants entitling the Investor to acquire up to 7,822,057 additional Common Shares exercisable for a period of five years following Closing at an exercise price of C$4.02 per Common Share (subject to customary adjustments), which are expected to represent approximately 3% of the FDSO following the Closing and which Par Warrants will vest in the event the Common Stock Price Target Condition is met; and

(c) Incentive Warrants entitling the Investor to acquire up to 23,466,171 additional Common Shares, which is expected to represent approximately 9% of the FDSO following the Closing, exercisable for a period of five years following Closing at an exercise price of C$4.75 per Common Share (subject to customary adjustments).

The number of Common Shares issuable pursuant to the Warrants is subject to customary adjustments and adjustments to maintain the percentage of issued and outstanding Common Shares issuable pursuant to the Warrants following the completion of the Redomiciliation and the Share Buyback.

Pursuant to the Investment Agreement, the Company has committed to use the proceeds from the Private Placement, additional capital from its balance sheet, and capital from the monetization of the Arena FINCOs, see "*Current Investments – Arena and the Arena FINCOs*" in the AIF, which section is incorporated herein by reference, to invest up to US$620 million in Salem Partners in exchange for 100% of the limited partnership interests in Salem Partners. An affiliate of CC Capital will serve as the general partner of Salem Partners. The limited partnership agreement of Salem Partners will provide the Company with the ability to remove the CC Capital affiliate as general partner at any time, subject to obtaining approval of a majority of the Board, including all of the Investor's nominees to the Board.

Up to US$100 million of the Company's commitment to Salem Partners may be drawn independent from and prior to the Closing for one or more prospective life insurance and annuity related investments. Such investments will include (a) CC Capital or its affiliates or managed investment vehicles having contributed or concurrently contributing an additional amount of capital equal to 40% of the amount to be committed by Salem Partners and (b) at least 33% of the insurance assets under management related to insurance liabilities directly backed by these contributions being committed to be managed by one or more controlled affiliates of the Company (which may include Arena).

Subject to receipt of regulatory approvals and other closing conditions, Salem Partners will acquire an affiliate of CC Capital that has entered into an agreement to acquire ManhattanLife, a regulated insurance company with minimal assets other than insurance licenses in all U.S. states other than California, Idaho, Maine, Minnesota, New Jersey, and New York, in exchange for the reimbursement of arm's length third party expenses incurred by CC Capital and its affiliates related to the acquisition of ManhattanLife and subsequent buildout of ManhattanLife, which are expected to amount to approximately US$10 million. Assuming the acquisition of ManhattanLife is completed, once acquired, Salem Partners intends to rebrand ManhattanLife as Ceres Life and operate as a cloud-native annuity platform. The remainder of the funds to be invested in Salem Partners are expected to be used to pursue investments in insurance or insurance-related, annuities, reinsurance, corporate liabilities, distribution, asset and wealth management companies and/or related investments.

Salem Partners' acquisition of ManhattanLife is conditional on the completion of the Private Placement. The completion of Salem Partners' acquisition of ManhattanLife, however, is not a condition to the completion of the Arrangement, the Private Placement or any of the other transactions contemplated in the Investment Agreement and there can be no assurance that the acquisition of ManhattanLife will be completed, even if the Arrangement, the Private Placement and the other transactions contemplated in the Investment Agreement have occurred.

The completion of the Private Placement is conditioned upon, among other things (a) the approval of the Arrangement Resolution and the completion of the Share Consolidation and the Redomiciliation contemplated thereby and (b) the approval of the New Equity Incentive Plan Resolution; and (c) the completion of the Arena Reorganization. The Private Placement is also subject to the fulfillment of certain other conditions precedent set forth in the Investment Agreement, including but not limited to the approval of the TSXV and relevant regulatory approvals having been obtained.

In accordance with the policies of the TSXV Corporate Finance Manual, the Company is required to obtain the approval of the disinterested Shareholders to approve the creation of a Control Person. The TSXV defines "Control Person" as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of a company so as to affect materially the control of the company, or that holds more than 20% of the outstanding Common Shares except where there is evidence showing that the holder of those securities does not materially affect the control of the company.

Accordingly, at the Meeting, Shareholders will be asked to consider, and, if deemed advisable, approve with or without variation, the Private Placement Resolution. The Private Placement Resolution, to be effective, must be approved by not less than a simple majority of the votes on the Private Placement Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by the Investor and any other Shareholders that are required to be excluded in accordance with the policies of the TSXV). The full text of the Private Placement Resolution is set forth in Appendix "B". As of the Record Date, the Investor did not own or exercise control over any Common Shares.

The Board and the Special Committee unanimously recommend that Shareholders vote **FOR** the Private Placement Resolution at the Meeting.

The Arena Reorganization

As of the date of the Investment Agreement, The Westaim Corporation of America, a wholly owned subsidiary of the Company ("**WCA**"), was entitled to an intercompany loan receivable of approximately US$24 million from Arena (such amount, the "**Contributed Indebtedness**").

In connection with the Private Placement, the Company, CC Capital and Bernard Partners will enter into the third amended and restated limited liability company agreement of Arena (the "**A&R Arena LLCA**") pursuant to which the parties will restructure the ownership of Arena (the "**Arena Reorganization**") whereby the Company will be entitled to receive 49% of the net profits from and appreciation in Arena, Bernard Partners (the members of which are Zwirn and Cutler) and certain other front office investment team members of Arena will be entitled to receive 45% of the net profits from and appreciation in Arena and CC Capital will be entitled to receive 6% of the net profits from and appreciation in Arena (all subject to a minimal distribution of US$3,500,000 to Bernard Partners as further set out in the A&R Arena LLCA). As part of the Arena Reorganization (a) Bernard Partners' existing earn-in mechanism in respect of Arena will be eliminated; and (b) Arena and the Company will enter into a contribution and exchange agreement (the "**Contribution and Exchange Agreement**"), pursuant to which the Company will contribute and assign the Contributed Indebtedness to Arena in exchange for additional equity interests of Arena. After this step and the related steps, the Company will own 100% of the equity interests of Arena.

Copies of the A&R Arena LLCA and the Contribution and Exchange Agreement that evidence the Arena Reorganization are attached to hereto as Appendix "I" and Appendix "J", respectively.

As part of the Transactions, the Arena board of managers (the "**Arena Board**") will be fixed at nine members. The Company will have the right to appoint five members of the Arena Board, all of whom will be nominated by the Investor, while Bernard Partners will have the right to appoint the remaining four members, two of whom will include Zwirn and Cutler. The Investor will have the authority to select the Chairperson of the Arena Board. Daniel Zwirn and Lawrence Cutler will continue to serve as Chief Executive Officer and Chief Operating Officer of Arena, respectively. The Investor's consent will be required for the removal of any of the Investor's nominees from the Arena Board and each of the Investor's nominees to the Arena Board will require approval by a majority of the independent directors of the Board. As of this date of this Information Circular, the other Arena Board members have not yet been selected.

The completion of the Arena Reorganization is a condition precedent to the closing of the Private Placement. In the event the Private Placement Resolution is not approved, or the Private Placement otherwise does not proceed, the Company does not intend to complete the Arena Reorganization.

The Arena Reorganization constitutes a "related party transaction", as such term is defined under MI 61-101, as the securities of Arena (an entity controlled by the Company) are being amended and furthermore, the equity interests of Bernard Partners (a related party to the Company under MI 61-101) in Arena are being amended from 49% to nil. The Company intends to rely on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(b) of MI 61-101 on account of the Common Shares being listed on the TSXV. As required pursuant to MI 61-101, the Company intends to seek minority shareholder approval of the Arena Reorganization Resolution in accordance with section 8 of MI 61-101 ("**Minority Approval**").

With respect to Minority Approval under MI 61-101, the following person(s) are required to be excluded from voting on the Arena Reorganization Resolution (to the extent that they may hold Common Shares and are otherwise eligible to vote such Common Shares at the Meeting):

(a) the Company;

(b) Bernard Partners;

(c) any "related party" of Bernard Partners (as such term is defined in, and determined in accordance with, MI 61-101); and

(d) any joint actor with a person referred to in paragraph (b) or (c) in respect of the Arena Reorganization

(collectively, the "**Excluded Parties**").

In light of the foregoing, to the Company's knowledge after reasonable enquiry, an aggregate of 1,069,117 Common Shares will be excluded from determining the approval of the Arena Reorganization Resolution by Minority Approval. To the Company's knowledge after reasonable inquiry, these Common Shares are held by the following Shareholders, which constitute all of the Excluded Parties:

Name of Shareholder	Number of Common Shares
Lawrence Cutler	151,687
Daniel Zwirn	917,430

The Company is not aware of any prior valuations (as defined in MI 61-101) that relate to the subject matter of the Arena Reorganization or is otherwise relevant to the Arena Reorganization.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, approve with or without variation, the Arena Reorganization Resolution. To be effective, the Arena Reorganization Resolution must be approved by not less than a simple majority of the votes on the Arena Reorganization Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by any Shareholders that are required to be excluded in accordance with MI 61-101). Pursuant to MI 61-101, all Excluded Parties are excluded from voting on the Arena Reorganization Resolution. The text of the Arena Reorganization Resolution is as follows:

"**RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The third amended and restated limited liability company agreement of Arena Investors Group Holdings, LLC ("**Arena**"), substantially in the form as set forth in Appendix "I" to the management information circular of The Westaim Corporation (the "**Company**") dated November 19, 2024 (the "**Information Circular**"), is hereby confirmed and approved.

2. The contribution and exchange agreement between The Westaim Corporation of America ("**WCA**"), a wholly-owned subsidiary of the Company (or the Company, as successor to WCA) and Arena, substantially in the form as set forth in Appendix "J" to the Information Circular, is hereby confirmed and approved.

3. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and execute and deliver all such agreements, documents and instruments and to do and perform all acts and things as such individual, in his or her discretion, deems necessary or advisable in order to give effect to the intent of this resolution and the matters authorized hereby."

The Board and the Special Committee unanimously recommend that Shareholders vote **FOR** the Arena Reorganization Resolution at the Meeting.

The New Equity Incentive Plan

As part of the Transactions, the Company intends to adopt an amended and restated equity incentive plan of the Company (the "**New Equity Incentive Plan**") effective on Closing.

The Company LTIP currently provides that the aggregate number of Common Shares reserved for issuance upon the exercise of all share-based awards (specifically SARs, RSUs, DSUs and other Common Share-based awards) granted under such plan shall not exceed 10% of the issued and outstanding Common Shares (the "**Award Limits**"). The Company LTIP specifically contemplates that all options to purchase Common Shares ("**Options**") be issued under the Company Stock Option Plan.

The New Equity Incentive Plan will allow for the granting of Options and an increase in the number of Common Shares reserved for issuance thereunder. The proposed amendment allows the Company to govern the issuance of all share-based compensation awards ("**Awards**") under the New Equity Incentive Plan. All future Awards will be issued pursuant to and governed by the New Equity Incentive Plan and no future Awards will be issued pursuant to or governed by the terms of the Company Stock Option Plan. Any outstanding Options granted under the Company Stock Option Plan shall remain in effect in accordance with the terms and conditions of the Company Stock Option Plan. In addition to streamlining the administration of the Company's prior security based compensation plans, the purpose of the New Equity Incentive Plan is to advance the interests of the Company and its affiliates by: (a) attracting, rewarding and retaining highly competent persons as directors, officers, employees and consultants of the Company; (b) providing additional incentives to such persons by aligning their interests with those of the Shareholders; and (c) promoting the success of the Company's business.

The proposed New Equity Incentive Plan provides that the aggregate number of Common Shares to be reserved for issuance upon: (a) the exercise of all Options granted thereunder (and all other option plans of the Company, including the Company Stock Option Plan) shall not exceed 10% of the issued and outstanding Common Shares at the time of grant of such Options; and (b) the exercise or redemption of all Awards, other than Options, shall not exceed: (i) prior to Closing, 12,817,238 Common Shares; and (ii) upon Closing, 20,005,133 Common Shares (which is expected to be equal to 10% of the issued and outstanding Common Shares as of Closing). Any exercise of Options will make new grants of Options available under the New Equity Incentive Plan effectively resulting in a re-loading of the number of Common Shares available to be granted with respect to Options under the New Equity Incentive Plan.

For a summary of the terms of the New Equity Incentive Plan, see "*Summary Of Key Documents And Agreements – New Equity Incentive Plan*". The full text of the New Equity Incentive Plan is set forth in Appendix "C".

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, approve with or without variation, the New Equity Incentive Plan Resolution. The New Equity Incentive Plan Resolution, to be effective, must be approved by not less than a simple majority of the votes on the New Equity Incentive Plan Resolution cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by Shareholders that are required to be excluded in accordance with the policies of the TSXV).

The text of the New Equity Incentive Plan Resolution is as follows:

"**RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. Subject to the final acceptance of the TSXV, the amended and restated equity incentive plan (the "**New Equity Incentive Plan**") of The Westaim Corporation (the "**Company**"), substantially in the form as set forth in Appendix "C" to the management information circular of the Company dated November 19, 2024, (the "**Information Circular**") is hereby confirmed and approved.

2. The total number of common shares of the Company ("**Common Shares**") which may be reserved and available for grant and issuance pursuant to the New Equity Incentive Plan and all other Share Based Compensation Arrangements (as defined in the New Equity Incentive Plan) of the Company shall not exceed:

    a. with respect to Options (as defined in the New Equity Incentive Plan), 10% of the total issued and outstanding Common Shares as at the date of the grant of each applicable grant of Options; and

    b. with respect to Common Shares that may be reserved and available for grant and issuance pursuant to SARs, RSUs, DSUs, and Other Awards (each as defined in the New Equity Incentive Plan) and/or other Share Based Compensation Arrangements: (i) prior to completion of the Private Placement, 12,817,238 Common Shares; and (ii) upon completion of the Private Placement (as defined in the Information Circular) 20,005,133 Common Shares.

3. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and execute and deliver all such agreements, documents and instruments and to do and

perform all acts and things as such individual, in his or her discretion, deems necessary or advisable in order to give effect to the intent of this resolution and the matters authorized hereby."

The Board and the Special Committee unanimously recommend that Shareholders vote **FOR** the New Equity Incentive Plan Resolution at the Meeting.

Background to the Transactions

The terms of the Transactions are the result of extensive arm's length negotiations by the Company, under the direction and oversight of the Special Committee, and CC Capital, and their respective financial and legal advisors.

The following is a summary of the main events that led to the negotiation and execution of the Investment Agreement (and related definitive transaction agreements) and certain meetings, negotiations, discussions and actions of the various parties that preceded the execution of the Investment Agreement and the public announcement of the Transactions on October 9, 2024. Between the submission of the Initial Proposal by CC Capital and the execution of the Investment Agreement, there were over thirty Board and Special Committee meetings held regarding the potential Transactions, with management and their financial and legal advisors present, as appropriate.

Management of the Company and the Board regularly consider, monitor and investigate opportunities to enhance Shareholder value. From time to time, these opportunities have included the consideration of potential strategic transactions with various industry participants and other interested parties, including strategic partnerships, investments and other commercial relationships, and management of the Company and the Board review and consider such transactions as they arise in order to determine whether pursuing them would be in the best interests of the Company.

In January 2023, Skyward Specialty Insurance Group, Inc. ("**Skyward**") completed an initial public offering (the "**Skyward IPO**") of its common stock (the "**Skyward Shares**") at US$15.00 per Skyward Share and the Skyward Shares were listed on the Nasdaq Global Select Market. As of closing of the Skyward IPO, the Company indirectly owned approximately 39% of the Skyward Shares, valued at approximately US$218.5 million based on the per share price of the Skyward IPO. In connection with the Skyward IPO, the Company agreed to a standard lock-up with the underwriters. Following the Skyward IPO, the Company began to sell its Skyward Shares in a series of underwritten secondary offerings, and in September 2024, the Company sold its then-remaining interest in Skyward in the open market. In total, the Company received net proceeds of US$448.6 million from the sales of its Skyward Shares.

Following completion of the Skyward IPO, the Company's business effectively consisted of its ownership of publicly traded Skyward Shares and its interests in Arena and the Arena FINCOs. In the Company's annual report, filed on March 30, 2023, the Company disclosed that management believed that the Company's intrinsic value was significantly greater than was reflected in the trading price of the Common Shares at the time and that the Board and management were continually considering possible alternatives to narrow that gap. In particular, the Board and Arena believed that despite some progress in growing Arena's assets under management, Arena had not been able to achieve the desired scale and would benefit from considering available alternatives to significantly accelerate Arena's growth trajectory.

In mid-2023, Arena, with the assistance of a financial advisor, began a process to explore potential transactions to accelerate Arena's growth, including a potential third party investment or merger. This process continued for more than six months, during which approximately one hundred parties were contacted to gauge their interest in a potential transaction with Arena, with over a dozen of those contacted entering into confidentiality agreements with Arena. While certain parties expressed interest in a potential transaction during the process, despite the significant duration and scope of the outreach process, no transaction was proposed that was actionable in the immediate term and satisfied Arena's objectives. Management of the Company received regular updates on the status of Arena's process and provided periodic updates to the Board regarding the status of the process.

Over the past several years, representatives of CC Capital and the Company have had periodic discussions, including with respect to potential transactions involving the Company and CC Capital (or their respective affiliates). While CC Capital had in the past expressed interest in a potential transaction involving the Company and Arena, the parties had

been unable to agree on parameters for a transaction that would be acceptable to all parties. Representatives of CC Capital and the Company kept in touch on a regular basis to discuss potential opportunities.

On November 6, 2023, Messrs. MacDonald and Zwirn met with representatives of CC Capital and shared information with respect to recent developments and strategic initiatives for the Arena business, including noting that Arena was in the midst of a process to explore potential transactions to accelerate Arena's growth. At the meeting, representatives of CC Capital mentioned that they had been exploring making a potential investment in an insurance business and that there could be an opportunity for mutual value creation in partnering Arena with an insurance business to create an integrated asset management and insurance platform. No specific proposal was made at the meeting nor were any specific deal terms discussed. Following the meeting, Mr. MacDonald updated the other members of the Board and the other members of the Board encouraged Mr. MacDonald to keep in touch with CC Capital to see if CC Capital would put forward a proposal with respect to a potential transaction that would create value for Shareholders.

In late 2023 and early 2024, Messrs. MacDonald and Zwirn remained in periodic contact with representatives of CC Capital regarding a potential transaction. On January 23, 2024, the Company and CC Capital entered into a mutual non-disclosure agreement to facilitate further discussions regarding a potential transaction.

On January 29, 2024, Messrs. Delaney, MacDonald and Zwirn received a non-binding proposal from CC Capital (the "**Initial Proposal**") for a strategic investment and partnership transaction, which they delivered to the Board. Under the Initial Proposal, CC Capital proposed a US$250 million investment into the Company for consideration per Common Share to be issued equal to the then-current market price of the Common Shares, to be calculated by reference to the 30-day VWAP for the Common Shares, being C$3.70 per Common Share at the time. CC Capital's US$250 million investment was proposed to be used, together with the Company's other assets, to fund an investment by the Company in a newly formed insurance investment vehicle controlled by CC Capital, which would invest in annuities, reinsurance, corporate liabilities, distribution, and other insurance businesses including the insurance business that CC Capital was currently exploring an investment in (collectively, the "**Proposed Strategic Investment and Partnership**"). The Initial Proposal expressed that this insurance vehicle, together with Arena, would establish an integrated asset management and insurance platform with a growing permanent capital base, positioning Arena for long-term value creation. The Initial Proposal expressed that the Proposed Strategic Investment and Partnership was conditional on a reorganization of the ownership of Arena whereby the Company would obtain ownership of the remaining 49% of the equity of Arena that it does not already own from Bernard Partners in exchange for the issuance of profit interests to Bernard Partners, certain other front office investment team members of Arena and CC Capital. The Initial Proposal also provided that, pursuant to the Proposed Strategic Investment and Partnership, CC Capital would receive warrants to purchase Common Shares and additional economic entitlements at both the insurance vehicle and Arena, and provided that CC Capital would be entitled to appoint five out of nine directors on the Board.

On February 1, 2024, the Board held a meeting, with representatives of Dentons, Company legal counsel, as well as Stikeman, in attendance, to review and discuss the engagement of Stikeman (including Ed Waitzer, a retired partner of Stikeman) as independent legal counsel and the terms and conditions of the Initial Proposal. The Board determined that, while there was merit in a strategic partnership with CC Capital to establish an integrated asset management and insurance platform, the proposed transaction at no premium to the trading price of the Common Shares significantly undervalued the Company's existing assets, given management's view that the Company's intrinsic value was not reflected in the trading price of the Common Shares. Accordingly, the Board determined that the price offered for the investment was inadequate and would need to be significantly improved. At the direction of the Board, Mr. MacDonald communicated this message to CC Capital on or about February 8, 2024.

Between approximately February 8, 2024 and March 24, 2024, Messrs. Delaney, MacDonald and Zwirn and representatives of CC Capital held various discussions regarding the Proposed Strategic Investment and Partnership and the Company and Arena each provided requested due diligence information to CC Capital to assist CC Capital in improving the terms of the Proposed Strategic Investment and Partnership. During this period, CC Capital also shared with Messrs. MacDonald and Zwirn a preliminary draft business plan with respect to the Company following completion of the Proposed Strategic Investment and Partnership, which CC Capital noted in discussions was subject to review and revision as its diligence and understanding of the Company and Arena progressed.

On March 24, 2024, the Company received a revised non-binding proposal (the "**First Revised Proposal**") from CC Capital for the Proposed Strategic Investment and Partnership, which increased the consideration per Common Share

to be issued to C$4.00 per Common Share, representing an approximately 7% premium to the trading price of the Common Shares at the time. The financial terms of the First Revised Proposal were otherwise substantially similar to the Initial Proposal. The First Revised Proposal also provided that CC Capital would receive certain governance rights in connection with its investment, including the right to initially nominate four out of nine directors on the Board (which would increase to the right to nominate five out of nine directors upon the achievement of certain financial metrics following the closing), with four of the remaining directors nominated by the Company and the remaining director to be an independent director mutually acceptable to CC Capital and the Company.

On March 26, 2024, the Board, with representatives of Dentons in attendance, held its previously scheduled quarterly Board meeting, during which it discussed the First Revised Proposal.

On April 1, 2024, the Board held a meeting to further discuss the First Revised Proposal, with representatives of Dentons and Stikeman in attendance. During the meeting, the Board noted that while the financial terms of the First Revised Proposal had modestly improved, the proposed investment price per Common Share continued to undervalue the Company's existing assets. The Board also noted its belief that there was merit in a strategic partnership with CC Capital to establish an integrated asset management and insurance platform, if the financial terms of the proposal could be improved. The Board discussed with its legal advisors its fiduciary duties in connection with the receipt of the First Revised Proposal and that it may be prudent to form a special committee of directors free from any conflict of interest with respect to the proposal that could retain a financial advisor to assist with further evaluation of the Proposed Strategic Investment and Partnership and the First Revised Proposal, potential responses thereto, and considering other potential available alternatives.

Later on April 1, 2024, the Board acted by written consent to establish the Special Committee, comprised of Lisa Mazzocco (Chair), Ian Delaney, John Gildner, Kevin Parker, Michael Siegel and Bruce Walter. The Board determined that each director on the Special Committee was free from any material relationship that would interfere with the exercise of his or her independent judgment with respect to a potential transaction similar to the First Revised Proposal. The Special Committee was given a broad mandate to, among other things, (a) oversee the review of the First Revised Proposal and other potential alternatives available to the Company (including maintaining the status quo) and all activities to be carried out by the Company and its professional advisors (including their selection and engagement) in considering any potential transaction and strategic and other alternatives thereto (including maintaining the status quo); (b) review, direct and oversee the implementation of any potential transactions which may be entered into by the Company through their completion; and (c) make such reports and recommendations to the Board as the Special Committee deemed advisable or as the Board may request on any matter relating to any potential transactions. The Special Committee's mandate included authority to retain such professional advisors as the Special Committee considered appropriate, including financial and legal advisors of its choosing.

On April 10, 2024, the Special Committee held its initial meeting, with representatives of Dentons and Stikeman in attendance, to review its mandate, as well as to receive proposals and presentations from two leading financial advisory firms, including PJT Partners, to potentially be retained as financial advisor to the Special Committee and the Board. During the meeting, the Special Committee also confirmed the retention of Stikeman (including Ed Waitzer, a retired partner of Stikeman) as independent legal advisor to the Special Committee and the Board and received a presentation from representatives of Stikeman regarding the fiduciary duties of directors, including in the context of considering a potential transaction of the type contemplated by the First Revised Proposal, and other considerations related to the mandate of the Special Committee.

On April 15, 2024, the Special Committee held a meeting, with representatives of Dentons and Stikeman in attendance, to consider the proposals received from potential financial advisors. Following discussion, the Special Committee decided to retain PJT Partners as financial advisor to the Special Committee and the Board based on PJT Partners' qualifications, expertise, experience, independence, and familiarity with both the Company and the asset management and insurance industries, subject to finalizing the terms of PJT Partners' engagement, which engagement was subsequently confirmed in an engagement letter between PJT Partners and the Company dated April 24, 2024.

On April 24, 2024, the Special Committee held a meeting, with representatives of PJT Partners, Dentons and Stikeman in attendance, to discuss the First Revised Proposal. Among other matters, the Special Committee discussed with representatives of PJT Partners and the Special Committee's legal advisors that significant value creation may result from establishing an integrated asset management and insurance platform. Following discussion, the Special

Committee directed PJT Partners to contact CC Capital to request additional information from CC Capital, including CC Capital's proposed business plan for the Company following completion of the Proposed Strategic Investment and Partnership. The Special Committee also noted that since CC Capital conditioned the First Revised Proposal on separately agreeing with Bernard Partners on the terms of a reorganization of the ownership of Arena, an agreement would need to be reached on the terms of such reorganization that were acceptable to each of Bernard Partners, CC Capital and the Company for any transaction with CC Capital to proceed. The Special Committee, therefore, determined that Bernard Partners and CC Capital would need to pursue discussions in parallel on the reorganization of the ownership of Arena. The Special Committee and its financial and legal advisors received regular updates regarding those discussions throughout the process. At the meeting, the Special Committee also discussed the need to retain U.S. legal counsel for the Special Committee if negotiations were to progress with CC Capital regarding the proposed transactions due to the U.S. aspects of any potential strategic investment and partnership transaction with CC Capital. The Special Committee authorized its Chair, with assistance from another member of the Special Committee, to meet with potential U.S. legal advisors and make a recommendation to the Special Committee.

On May 1, 2024, the Special Committee held a meeting, with representatives of PJT Partners, Dentons and Stikeman in attendance, to receive an update from PJT Partners on its discussions with CC Capital. PJT Partners noted that CC Capital communicated to PJT Partners that CC Capital was continuing to develop its proposed business plan with respect to the Company following completion of the Proposed Strategic Investment and Partnership. During the meeting, the Special Committee also confirmed the engagement of Willkie as U.S. legal advisor to the Special Committee.

Between May 1, 2024 and June 5, 2024, PJT Partners received additional information from CC Capital, which it promptly shared with the Special Committee during four Special Committee meetings held throughout this period, and PJT Partners continued to review and discuss with the Special Committee the financial aspects of the First Revised Proposal and the Company's standalone plan. Management of the Company and Arena also held periodic discussions with representatives of CC Capital during this period with respect to CC Capital's ongoing due diligence and related matters. Legal and financial advisors of CC Capital and the Company also met during this period to explore and discuss potential tax structuring alternatives to effect the Proposed Strategic Investment and Partnership.

On June 5, 2024, the Special Committee held a meeting, with representatives of PJT Partners, Dentons and Stikeman in attendance, to consider and discuss a response to the First Revised Proposal. Among other matters, the Special Committee discussed with representatives of PJT Partners and the Special Committee's legal advisors CC Capital's business plan for the Company following completion of the proposed transaction and noted how the business plan reflected that there was the potential for value creation for Shareholders in establishing an integrated asset management and insurance platform. The Special Committee also discussed certain risks and concerns with respect to the First Revised Proposal, including aspects that could create potential misalignment of financial and other interests between CC Capital and other Shareholders. After taking into consideration advice received from PJT Partners and the Special Committee's legal advisors and discussions relating to the following considerations: (a) that the Proposed Strategic Investment and Partnership presented an opportunity to transform the Company into an integrated insurance and asset management platform and potentially drive strong and sustainable value creation for Shareholders in a way that would be very difficult for the Company to pursue on its own; and (b) that, despite Arena having conducted an extensive process to identify a strategic transaction that would accelerate Arena's growth, no transaction had emerged that would be actionable in the immediate term and satisfy Arena's objectives, the Special Committee directed PJT Partners to provide a counterproposal to CC Capital that, among other things, increased the proposed price for CC Capital's investment from C$4.00 per Common Share to C$5.44 per Common Share and eliminated certain additional economics accruing to CC Capital at both the insurance vehicle and Arena. The counterproposal also included multiple tranches of warrants to purchase Common Shares at increasing exercise prices that would be issued to CC Capital to further incentivize CC Capital to create value for Shareholders and better align the parties' financial interests. The counterproposal also reduced CC Capital's initial nomination right to three of nine directors on the Board, with the entitlement to increase with its proportionate ownership increase as the warrants were exercised. The counterproposal was delivered by PJT Partners to CC Capital on June 7, 2024.

Between June 7, 2024 and June 18, 2024, at the direction of the Special Committee, representatives of PJT Partners and CC Capital held discussions regarding the Company's counterproposal and potential alternative economic terms for a transaction that might be acceptable to both parties. PJT Partners regularly kept the Special Committee apprised of these discussions.

On June 18, 2024, CC Capital delivered a revised non-binding proposal (the "**Second Revised Proposal**") for the Proposed Strategic Investment and Partnership, which, among other things, proposed a US$275 million investment in a cumulative, participating, perpetual convertible preferred equity security, in lieu of an investment in Common Shares. The Second Revised Proposal also provided that CC Capital would receive warrants to purchase Common Shares, but eliminated certain of the additional economic entitlements that CC Capital proposed to receive at the insurance vehicle and Arena in its prior proposals. The proposed governance terms of the Second Revised Proposal were unchanged from those in the First Revised Proposal.

On June 20, 2024, the Special Committee held a meeting, with representatives of PJT Partners, Dentons and Stikeman in attendance, to consider the Second Revised Proposal. Following discussion, the Special Committee determined that the Second Revised Proposal and, in particular, the proposed change to CC's principal investment being in a convertible preferred security, as opposed to Common Shares, introduced an unacceptable degree of misalignment of interests between CC Capital and Shareholders and further complexity into an already complex strategic partnership transaction. The Special Committee directed PJT Partners to inform CC Capital that the Special Committee was not prepared to consider a preferred share investment and if CC Capital remained interested in pursuing a transaction with the Company, CC Capital should present a revised proposal for a strategic investment at a meaningful premium to the trading price of the Common Shares, which PJT Partners promptly relayed to CC Capital.

On June 27, 2024, representatives of CC Capital contacted representatives of the Company to request the opportunity to present directly to the Special Committee regarding a revised proposal for the Proposed Strategic Investment and Partnership.

On July 2, 2024, the Special Committee, together with representatives of PJT Partners, Dentons and Stikeman, met with representatives of CC Capital who delivered a presentation to the Special Committee that included CC Capital's revised non-binding proposal for the Proposed Strategic Investment and Partnership (the "**Third Revised Proposal**"). The Third Revised Proposal included, among other terms, a US$250 million strategic investment in Common Shares at a price of C$4.65 per Common Share, a 26% increase from the Initial Proposal and a 16% increase from the First Revised Proposal. The Third Revised Proposal also included two tranches of warrants to purchase Common Shares and performance share units that would be issued to CC Capital. The performance share units and one tranche of warrants would be subject to a performance vesting condition that would require the trading price of the Common Shares to approximately double from its pre-announcement trading price. The Third Revised Proposal also removed additional economic entitlements CC Capital had proposed it receive with respect to the insurance venture to create better alignment between CC Capital and Shareholders and, consistent with prior proposals, continued to be conditioned on the reorganization of the ownership of Arena. The Third Revised Proposal provided that CC Capital would initially have the right to nominate five out of eleven directors on the Board (which would increase to the right to nominate six out of eleven directors upon the achievement of the performance vesting condition on the performance share units and one tranche of warrants), with five of the remaining directors nominated by the Company and the remaining director to be an independent director mutually acceptable to CC Capital and the Company. The representatives of CC Capital stated that the Third Revised Proposal represented CC Capital's final proposal regarding the Proposed Strategic Investment and Partnership.

On July 11, 2024, the Special Committee held a meeting, with representatives of PJT Partners, Dentons, Stikeman and Willkie in attendance, to consider the Third Revised Proposal. The Special Committee noted, in particular, the simplified structure, improved financial terms and enhanced alignment of interests and incentives for CC Capital to create Shareholder value in the Third Revised Proposal as compared to the prior proposals, including as a result of the performance vesting condition proposed for one tranche of the warrants and the performance share units that would require the trading price of the Common Shares to approximately double from its pre-announcement trading price. The Special Committee also noted that, while the Third Revised Proposal proposed CC Capital receive significant director nomination and other governance rights, CC Capital's experience, track record and relationships would be critical to the success of the Company following Closing so there were also benefits in having CC Capital closely involved in overseeing the Company following Closing. In addition, the Special Committee noted that CC Capital's right to nominate a majority of the members of the Board was now conditional on the achievement of a performance vesting condition that would require the trading price of the Common Shares to approximately double from its pre-announcement trading price. After taking into consideration advice received from PJT Partners and the Special Committee's legal advisors and discussions relating to the following considerations: (a) that the Third Revised Proposal included a strategic investment at a meaningful premium to the trading price of the Common Shares; (b) that

the Proposed Strategic Investment and Partnership presented an opportunity to transform the Company into an integrated insurance and asset management platform and potential to drive strong and sustainable value creation for Shareholders in a way that would be very difficult for the Company to pursue on its own; (c) that, despite Arena having conducted an extensive process to identify a strategic transaction that would accelerate Arena's growth, no transaction had emerged that would be actionable in the immediate term and satisfy Arena's objectives; and (d) that CC Capital stated that the Third Revised Proposal was its final proposal, the Special Committee determined that if CC Capital would be prepared to increase the price of its investment further to C$4.75 per Common Share, the Special Committee would be prepared to direct its advisors to move forward with detailed discussions regarding the other terms of the Proposed Strategic Investment and Partnership. The Special Committee directed representatives of PJT Partners to communicate the Special Committee's response to CC Capital, which PJT Partners promptly relayed.

On July 13, 2024, representatives of CC Capital informed representatives of PJT Partners that CC Capital was prepared to agree to the C$4.75 per Common Share price for its US$250 million investment and that its legal and financial advisors were prepared to work with the Company's legal and financial advisors to align on the further details of the Proposed Strategic Investment and Partnership on terms that were otherwise consistent with the Third Revised Proposal, which PJT Partners promptly relayed to the Special Committee.

Between July 13 and August 29, 2024, the parties and their advisors negotiated the details of a non-binding term sheet (the "**Term Sheet**") for the Proposed Strategic Investment and Partnership, with the Special Committee holding multiple meetings during this period to receive updates from, and provide direction to, its advisors. Simultaneously, Bernard Partners, CC Capital and the Company negotiated the details of a non-binding term sheet with respect to the reorganization of the ownership of Arena. During that period, the parties, together with their tax and legal advisors, also discussed tax structuring matters and, in order to enhance shareholder value over the long term by, among other things, facilitating the attraction of capital, aligning the domicile of the parent entity within the location of operations after closing of the Transaction, and addressing the Company's anticipated status as a PFIC in 2024, the Company proposed to change the Company's jurisdiction of incorporation from the Province of Alberta in Canada to the State of Delaware in the United States.

On August 29, 2024, the Special Committee held a meeting, with representatives of PJT Partners, Dentons, Stikeman and Willkie in attendance, to receive an update on the status of discussions of the Term Sheet. Among other matters, the Special Committee discussed with representatives of PJT Partners and the Special Committee's legal advisors that representatives of CC Capital had stated that they would require a mutual period of exclusivity through September 20, 2024 (subject to extension through October 4, 2024 if the parties continued to work together to pursue the Transactions) in order to negotiate the terms of the definitive agreements regarding the Transactions. The Special Committee noted that, while the Proposed Strategic Investment and Partnership was CC Capital's preferred alternative, CC Capital had other parties and transactions it could pursue to create an integrated insurance and asset management platform. During the meeting, Stikeman provided legal advice on the directors' fiduciary duties under Canadian law and PJT Partners noted that, taking into account the other factors that had been previously considered by the Special Committee, including the Company's other available alternatives and potential benefits to the Company and Shareholders of a strategic partnership with CC Capital, entering into a period of mutual exclusivity with CC Capital to pursue the Transactions may be beneficial to the Company. Having considered the foregoing, and following extensive discussion of, among other things: (a) the terms and length of the proposed mutual exclusivity period; (b) the potential benefits to the Company and Shareholders of the Proposed Strategic Investment and Partnership; (c) the other alternatives available to the Company, including that, despite Arena having conducted an extensive process to identify a strategic transaction that would accelerate Arena's growth, no transaction had emerged that would be actionable in the immediate term and satisfy Arena's objectives, the Special Committee directed its advisors to finalize the Term Sheet on the terms discussed and authorized entering into a period of mutual exclusivity with CC Capital in order to negotiate the terms of the definitive agreements regarding the Transactions. At the meeting, the Special Committee also decided to retain an additional financial advisor for purposes of providing a fairness opinion to the Special Committee and the Board regarding the Transactions on a fixed-fee basis, regardless of such financial advisor's conclusions.

On August 30, 2024, the Special Committee and CC Capital finalized the Term Sheet and the Company and CC Capital entered into a customary, mutual exclusivity agreement through September 20, 2024 (subject to extension through October 4, 2024 if the parties continued to work together to pursue the Transactions).

That week and the week following, members of the Special Committee met with potential financial advisors, including BMO Capital Markets, to receive proposals to act as a second financial advisor and provide a fairness opinion to the Special Committee and the Board in connection with the Transactions.

On September 6, 2024, the Special Committee held a meeting, with representatives of Dentons, Stikeman and Willkie in attendance, to receive a presentation from BMO Capital Markets with respect to its proposal to act as a second financial advisor and provide a fairness opinion to the Special Committee and the Board in connection with the Transactions. Following the presentation and after discussion, the Special Committee approved retaining BMO Capital Markets as an independent financial advisor for purposes of providing an opinion as to the fairness, from a financial point of view, of the Transactions to the Company on a fixed-fee basis based on, among other things, BMO Capital Markets' qualifications and experience, its lack of any relationships that would impair its ability to serve as an independent financial advisor to the Special Committee, and its familiarity with the Company and the Company's business, which engagement was confirmed with an engagement letter effective September 6, 2024.

On September 9, 2024, Willkie circulated an initial draft of the Investment Agreement to the advisors of CC Capital. Throughout the following weeks, management of the Company and its advisors provided continuing updates to the Special Committee and the Special Committee met on a regular basis to assess the process of the Transactions and to provide instructions to its advisors on the ongoing negotiations and related considerations. The Special Committee and CC Capital, as well as Arena and Bernard Partners, and their respective representatives and advisors, continued to review and evaluate a variety of matters and continued to conduct further negotiations with respect to the Transactions, including the preparation of, and further revisions of, the Investment Agreement, the Investor Rights Agreement, the Plan of Arrangement, the forms of Voting and Support Agreements and other definitive transaction agreements and ancillary agreements (collectively, the "**Transaction Documents**"). During this time, the parties (and their respective legal, tax and financial advisors) held a number of meetings with respect to outstanding due diligence matters, structure of the Transactions, tax and regulatory considerations. At the same time, Bernard Partners, CC Capital and the Company and their respective advisors negotiated the definitive agreements with respect to the reorganization of the ownership of Arena. The Special Committee also met on a regular basis to receive updates from the management team and discuss various matters relating to the Transactions and the Transaction Documents (including to provide guidance thereon).

On September 17, 2024, the Board received a presentation from CC Capital and Ms. Mulligan, who will serve as CEO of Ceres Life, on the business plan for Ceres Life following completion of the Transactions.

On October 5, 2024, October 6, 2024, October 7, 2024 and the morning of October 8, 2024, meetings of the Special Committee were held, with representatives of PJT Partners, BMO Capital Markets, Dentons, Stikeman and Willkie in attendance, to discuss, among other things, outstanding items in the Transaction Documents and related matters. During the course of these meetings, representatives of Willkie provided an overview of certain specific terms and conditions of the various Transaction Documents, highlighting and receiving instructions regarding the remaining open points, and answered questions from the Special Committee. Stikeman also provided advice and answered questions, with respect to directors' fiduciary duties under Canadian law. At the October 6, 2024 Special Committee meeting, BMO Capital Markets delivered a presentation to the Special Committee on its financial analysis of the Company and the Transactions and answered questions from the Special Committee regarding its financial analysis.

During the late afternoon on October 8, 2024, a joint meeting of the Special Committee and the Board was held, with representatives of PJT Partners, BMO Capital Markets, Dentons, Stikeman and Willkie in attendance, to review the terms of the proposed near-final versions of the various Transaction Documents and related matters. At the meeting, BMO Capital Markets provided its oral Fairness Opinion, which stated that, as of the date thereof, based upon and subject to the various assumptions, limitations and qualifications to be set forth in the Fairness Opinion, the Transactions were fair, from a financial point of view, to the Company. Following discussion, the Special Committee, after considering the terms of Transactions and having regard to, among other things: (a) the terms and conditions of the Transaction Documents; (b) the benefits and risks associated with the Transactions, including those factors described under "*Business Of The Special Meeting – Reasons for the Transactions*" below; (c) other strategic alternatives and options available to the Company, including that Arena had conducted an extensive process to identify a strategic transaction that would accelerate Arena's growth and no transaction had emerged that would be actionable in the immediate term and satisfy Arena's objectives; (d) the impact of the transactions contemplated by the Investment Agreement and the other Transaction Documents on the Company's stakeholders; and (e) certain advice, reports and

opinions it has received from management and professional and legal advisors concerning the Transactions and the Transaction Documents, the Special Committee unanimously determined that the Transactions were in the best interests of the Company, and determined to recommend to the Board that it approve the execution, delivery and performance of the Investment Agreement and the other Transaction Documents to which the Company is a party by the Company, substantially in the forms presented, and the consummation of the Transactions, that it determine that the Transactions are in the best interests of the Company and that it recommend that the Shareholders vote in favour of Approval Resolutions. For further details, see "*Business Of The Special Meeting – Reasons for the Transactions*".

The Board then, having considered, among other things, the recommendation of the Special Committee, advice from its financial advisors, including the Fairness Opinion, the benefits and risks associated with the Transactions, including those factors described under "*Business Of The Special Meeting – Reasons for the Transactions*" below and taking into account such other matters as it considered relevant, unanimously determined that the Transactions were in the best interests of the Company, approved the Investment Agreement and the other Transaction Documents to which the Company is a party and recommended to the Shareholders that they vote in favour of the Approval Resolutions.

Throughout the evening of October 8, 2024 and the early morning of October 9, 2024, the parties and their representatives and advisors finalized the Transaction Documents. The Investment Agreement and other Transaction Documents were executed during the morning of October 9, 2024 and the Company announced the Transactions prior to the commencement of regular trading on the TSXV on October 9, 2024.

On November 15, 2024, after having received the unanimous approval of the Board, the Company entered into the Amending Agreement with the other parties to the Investment Agreement to amend the Investment Agreement to, among other things, permit the Arrangement to be completed in advance of the other Transactions.

Recommendations of the Special Committee and the Board

After careful consideration of the Transactions, having taken into account such factors and matters as it considered relevant, including, without limitation, the terms of the Plan of Arrangement, the Investment Agreement, the Fairness Opinion and consulting with its legal counsel and BMO Capital Markets, financial advisor to the Special Committee and the Board, the Special Committee has unanimously determined that the Transactions are in the best interests of the Company. Accordingly, the Special Committee unanimously recommended to the Board that the Board determine that the Transactions are in the best interests of the Company, approve the entering into of the Investment Agreement and other ancillary agreements and recommend that the Shareholders vote **FOR** the Approval Resolutions at the Meeting. **THE SPECIAL COMMITTEE UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE APPROVAL RESOLUTIONS AT THE MEETING.**

The Board, after careful consideration of the Transactions, having taken into account such factors and matters as it considered relevant, including, without limitation, receipt of the unanimous recommendation of the Special Committee, the terms of the Plan of Arrangement, the Investment Agreement, the Fairness Opinion and advice received from the Company's legal and financial advisors, unanimously determined that the Transactions are in the best interests of the Company and approved the entering into of the Investment Agreement and other ancillary agreements. Accordingly, **THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE APPROVAL RESOLUTIONS AT THE MEETING.**

Shareholders should consider the Transactions and the Investment Agreement carefully and come to their own conclusion as to whether or not to vote in favour of the Approval Resolutions.

Reasons for the Transactions

In concluding that the Transactions are in the best interests of the Company, and in recommending that the Shareholders vote in favour of the Approval Resolutions, the Special Committee and the Board considered, among other things, various strategic, financial and operational factors and potential advantages and disadvantages of the Transactions.

The following summary of the information and factors considered by the Special Committee and the Board is not intended to be exhaustive, but includes a summary of the material information and factors considered in approving the Transactions. In view of the variety of factors and the amount of information considered in connection with the Transactions, the Special Committee and the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching their respective conclusions and recommendations. Individual members of the Special Committee and the Board may have assigned different weights to different factors.

- ***Transformational combination of businesses to produce an integrated insurance and alternative asset management company***. The Transactions will result in a strategic combination of the Company, an investment company specializing in providing long-term capital to financial services businesses, Arena, a global institutional asset manager with approximately US$3.3 billion of invested and committed assets under management as of September 30, 2023, and Ceres Life, a cloud-native, highly scalable annuity platform, incubated by CC Capital. The strategic combination, fueled by the Investor's investment and CC Capital's expertise, will transform the Company into an integrated insurance and asset management platform, with a growing and diversified credit manager and an advantaged, tech-enabled insurance carrier that is expected to provide competitively priced fixed income and multi-year guarantee annuity products to policyholders and drive strong and sustainable value creation for Shareholders.

- ***Anchor investment and strategic partnership with CC Capital.*** The Investor's anchor investment of US$250 million and the strategic partnership with CC Capital are expected to support the Company's growth vision, building on the Company's and CC Capital's existing experience in the insurance and asset management sectors, and with CC Capital dedicating meaningful resources to implementing this strategy. CC Capital is a private investment firm based in New York that was founded in late 2015 by Chinh Chu with a focus on investing in and operating high-quality businesses for the long term. CC Capital has a strong track record of investing in and partnering with financial services businesses across public and private markets, and deep expertise and experience building integrated insurance asset management strategies, including Fidelity & Guaranty Life Inc., which CC Capital acquired in 2017 and successfully sold for cash and stock to Fidelity National Financial in 2020.

- ***Experienced leadership team***. The combined platform will be led by an experienced management team, combining the existing leadership of the Company and Arena with additional expertise in the insurance and asset management sectors. Upon closing of the Transactions, Cameron MacDonald will continue to lead the Company as Chief Executive Officer and Daniel Zwirn will continue to lead Arena as Chief Executive Officer and Chief Investment Officer. Ceres Life will be led by Ms. Mulligan as incoming Chief Executive Officer. Pursuant to a consulting agreement between the Company and an affiliate of CC Capital, the Company has also appointed Richard DiBlasi, Managing Director of CC Capital, as its Chief Strategy Officer. Upon closing of the Transactions, Mr. Chu will serve as Executive Chair of the Board and Ian Delaney, the current Executive Chair, will transition to Vice Chair.

- ***Flywheel driving growth across the Company's platform***. As part of the combined platform, the Company, Arena and Ceres Life aim to generate a powerful value creation flywheel, driving continued growth and stability of both the insurance and asset management businesses. Ceres Life's annuity originations are expected to drive assets to Arena's alternative asset management strategies and fuel Arena's growth through stable insurance assets generated from Ceres Life, in turn driving return on equity and book value growth for Ceres Life and allowing the reinvestment of earnings within the ecosystem, compounding growth. Pursuant to the Transactions, Ceres Life and Arena will enter an agreement through which Arena is expected to manage up to 90% of Ceres Life's total investable assets.

- ***Exposure to a cloud-native, highly scalable annuities provider through Ceres Life***. Ceres Life will offer a differentiated, cloud-native technology platform, unlocking strong distribution partnerships. Ceres Life is incubated by CC Capital and expected to launch in the first quarter of 2025. Ceres Life has no legacy book and as a result of the Transactions, Ceres Life will be well-capitalized. Ceres Life aims to build a nimble, highly efficient, and risk-conscious insurance company that provides simple-to-understand and easily accessible annuity products to create better outcomes for policyholders. Ceres Life will be led by Deanna

Mulligan, former Chief Executive Officer and Chair of Guardian Life Insurance, a Fortune 300 company and one of the largest life and annuities insurance companies in the United States. Ceres Life has entered into a partnership with Advisors Excel, an industry-leading Independent Marketing Organization (IMO) with an affiliate product design firm, to enable immediate scale. In addition, it is envisaged that Ceres Life will have flexibility to pursue reinsurance transactions at attractive returns.

- ***Simplified economic relationship with Arena***. As a result of the Arena Reorganization, and certain other restructuring transactions, the Company will have a simplified economic relationship with Arena which will provide Shareholders with greater transparency into Arena and its value. Specifically as a result of the Transactions, the Company will be entitled to receive 49% of the net profits from and appreciation in Arena, Bernard Partners (the members of which are Zwirn and Cutler) and certain other front office investment team members of Arena will be entitled to receive 45% of the net profits from and appreciation in Arena and CC Capital will be entitled to receive 6% of the net profits from and appreciation in Arena (all subject to a minimal distribution of US$3,500,000 to Bernard Partners as further set out in the A&R Arena LLCA). As part of the Arena Reorganization: (a) Bernard Partners' existing earn-in mechanism in respect of Arena will be eliminated; and (b) Arena and the Company will enter into the Contribution and Exchange Agreement, pursuant to which the Company will contribute and assign the Contributed Indebtedness to Arena in exchange for additional equity interests of Arena. After this step and the related steps, the Company will own 100% of the equity interests of Arena.

- ***Alignment of incentives***. The Transactions have been structured to align incentives among CC Capital, the Company, Arena, and Shareholders. The Investor will own approximately 36% of the Common Shares upon closing of the Transactions, and up to 44% factoring in the exercise of the Warrants, the currently outstanding stock options expected to be outstanding at closing of the Transactions and the settlement of the PSUs to be issued at closing of the Transactions. Pursuant to the Investor Rights Agreement, the Investor has agreed to a three-year standstill and certain other customary protections and governance provisions in the Company's favour (see "*Summary Of Key Documents And Agreements – Investor Rights Agreement*"). The Arena Reorganization will also further align incentives with respect to Arena, as Bernard Partners will continue its substantial participation in Arena's economics as a result of the Arena profit share, alongside its retention of interests in Arena funds, cementing alignment with Arena's limited partners and Shareholders.

- ***Increase in the Company's capital resources***. The Company's total investable capital base is expected to increase to approximately US$700 million as a result of the US$250 million Private Placement, together with the existing cash on the Company's balance sheet and assuming full monetization of the Arena FINCOs. Capitalizing on the Investor's investment in the Company's balance sheet, the Company has agreed to invest up to US$620 million into Salem Partners, the investment vehicle controlled by an affiliate of CC Capital that will acquire Ceres Life.

- ***Private Placement at premium to existing share price.*** The implied purchase price of C$4.75 per Common Share with respect to the Private Placement represents an attractive premium of approximately 18.2% to the closing price of the Common Shares on the TSXV on October 8, 2024 (the last trading day prior to the entering into of the Investment Agreement) and a premium of approximately 25% to the 180-day VWAP of the Common Shares as of that date.

- ***Review of strategic alternatives and business and industry risks***. The Company and Arena have held discussions with various parties, including CC Capital, regarding a wide array of potential transactions over several years. While certain parties expressed interest in a potential transaction during the process, despite the significant duration and scope of the outreach process, no transaction was proposed that was actionable in the immediate term and satisfied Arena's objectives. The Special Committee and Board, with the assistance of their financial and legal advisors, considered the risks and benefits of the Transactions in the context of current economic and market conditions and the Company's other available alternatives. The Special Committee and the Board concluded that the Transaction would provide greater potential value to the Company and Shareholders, and greater potential to maximize the value of Arena, than would reasonably be expected from any other strategic alternatives reasonably available to the Company, including maintaining the status quo or liquidating the Company and distributing the proceeds. The Redomiciliation is intended to

enhance shareholder value over the long term by, among other things, facilitating the attraction of capital, aligning the domicile of the parent entity within the location of operations after closing of the Transactions, and ensuring that the Company will not continue to be treated as a "passive foreign investment company" for U.S. federal income tax purposes following the Redomiciliation (see "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – PFIC Considerations*").

- ***Optionality and potential immediate liquidity for shareholders***. Pursuant to the Investment Agreement, as soon as practicable following completion of the Transactions, and subject to approval at the relevant time by a special committee of directors that will be majority comprised of independent directors not nominated by CC Capital, the Company has covenanted to repurchase up to US$100 million of Westaim Delaware Shares at C$5.00 to C$5.25 per share in a substantial issuer bid, returning capital to Shareholders at accretive values. Accordingly, Shareholders who wish to monetize their holdings are expected to have the opportunity to do so at an attractive price, or may instead retain some or all of their shareholdings, participating in potential future upside. See "*Summary Of Key Documents And Agreements – Investment Agreement*".

- ***Potential for share price appreciation***. The Common Shares have historically traded at a discount to net asset value, and the Company has been valued on a sum-of-the-parts framework based on its balance sheet investments. The combined insurance and asset management platform provides a significant opportunity for Shareholder value creation, with potential upside from stable recurring fee-related revenues and attractive insurance earnings. As a result, the Company expects to have the opportunity to re-rate as an earnings-driven alternative asset management/insurance platform, and to the extent it successfully does so, Shareholders who retain their Common Shares would benefit from any resulting appreciation in the value of the Common Shares.

- ***Fairness opinion***. BMO Capital Markets has provided an opinion to the Special Committee and the Board, a copy of which is attached as Appendix "H" to this Information Circular, to the effect that, as of October 8, 2024, and based on and subject to the assumptions, limitations and qualifications set forth in such opinion, the Transactions are fair from a financial point of view to the Company.

- ***Limited conditionality***. Closing of the Transactions is subject to limited conditions, including receipt of certain regulatory approvals including, without limitation, approval of the TSXV, approval by Shareholders and other customary closing conditions. Salem Partners' acquisition of ManhattanLife and the Arena Reorganization are contingent on the completion of the Private Placement, but the completion of Salem Partners' acquisition of ManhattanLife is not a condition to completion of the other Transactions. In addition, the Private Placement is conditional on the Arrangement having been completed, which is subject to receipt of required Court and Shareholder approvals, but the Arrangement is not conditional on the completion of the other Transactions. The Transactions are not conditional on due diligence or financing conditions. Subject to the satisfaction or waiver of the requisite conditions and approvals, the Company expects to close the Transactions by the end of the first quarter of 2025 and the Company expects the Arrangement to be completed in advance of the other Transactions.

- ***Robust arm's-length negotiation process***. The Investment Agreement is the result of a comprehensive negotiation process, and includes terms and conditions that are reasonable in the judgment of the Special Committee. The negotiation process was undertaken at arm's length with the oversight and participation of the Special Committee, and with the advice of its financial and legal advisors.

- ***Approval thresholds***. The Transactions will not be completed unless the Approval Resolutions are approved by the requisite thresholds, including where applicable by simple majorities of votes cast that exclude the votes cast by any Shareholders that are required to be excluded in accordance with MI 61-101 or the policies of the TSXV, as applicable.

- ***Insider and shareholder support***. Certain Shareholders who, in the aggregate own approximately 40% of the issued and outstanding Common Shares, including each of the Company's directors and members of its senior management, have entered Voting and Support Agreements pursuant to which they have agreed,

among other things, to vote all Common Shares held by them at the Meeting in favour of the Approval Resolutions. See "*Summary Of Key Documents And Agreements – Voting and Support Agreements*".

- ***Court approval of the Arrangement***. The completion of the Arrangement is subject to the approval of the Court, after considering the procedural and substantive fairness of the Arrangement at a hearing in which Shareholders and others are entitled to be heard.

- ***Dissent Rights***. In connection with the Arrangement, Registered Shareholders may, upon compliance with certain conditions and in certain circumstances, exercise their Dissent Rights in respect of their Common Shares and, if ultimately successful, receive fair value for their Common Shares as determined by the Court.

In the course of their deliberations, the Special Committee and the Board also identified and considered a variety of risks and other potentially negative aspects relating to the Transactions, including, among others:

- the risks to the Company and the Shareholders if the Transactions are not completed, including the costs incurred by the Company in pursuing the Transactions and that the Company may be required to reimburse expenses of CC Capital up to a maximum of US$10 million if the Investment Agreement is terminated in certain circumstances, and the diversion of management from the conduct of the Company's business in the ordinary course;

- the risk that the anticipated benefits of the Transactions do not materialize;

- the inter-conditionality of certain of the Transactions;

- the conditions to the parties' obligations to complete the Transactions;

- the terms of the Investment Agreement that require the Company to conduct its business in the ordinary course and prevent the Company from taking certain specified actions; and

- that, in connection with the Transactions, certain of the Company's directors and executive officers have interests in the Transactions that differ from, or are in addition to, the interests of Shareholders, as described in "*Business Of The Special Meeting – The Arena Reorganization*".

The Board's and the Special Committee's reasons for recommending the Transactions include certain assumptions relating to forward-looking information and such information and assumptions are subject to various risks See "*Forward Looking Information*" and "*Risk Factors*".

Fairness Opinion

Pursuant to an engagement letter dated September 17, 2024 (and effective September 6, 2024), the Special Committee retained BMO Capital Markets as independent financial advisor to the Special Committee for the purposes of, among other things, preparing and delivering to the Special Committee and the Board an opinion as to the fairness, from a financial point of view, of the Transactions to the Company. In connection with its evaluation of the Transactions, the Special Committee and the Board received the Fairness Opinion that, as of October 8, 2024 and, subject to the assumptions, limitations and qualifications contained in such opinion, the Transactions are fair, from a financial point of view, to the Company. The Fairness Opinion was only one of many factors considered by the Special Committee and the Board in evaluating the Transactions.

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The full text of the Fairness Opinion dated October 8, 2024 which sets forth, among other things, the assumptions made, information reviewed, matters considered and limitations and qualifications on the review undertaken in connection with the opinion, is set out as Appendix "H" to this Information Circular. The Fairness Opinion was prepared at the request and for the information of the Special Committee and the Board. The opinion is directed only to the fairness, from a financial point of view, of the Transactions to the Company, and is only one of a number of factors taken into consideration by the Special Committee and the Board in considering the Transactions and does not constitute a recommendation of any kind to any Shareholder as to how such Shareholder should vote or act with respect to the matters to be considered at the Meeting. The foregoing summary of the opinion is qualified in its entirety by the full text of the opinion which is attached as Appendix "H" to this Information Circular and the Shareholders are urged to reach the Fairness Opinion in its entirety.

Pursuant to the terms of its engagement with the Special Committee, the Company has agreed to pay BMO Capital Markets a fixed fee for its services, including for the preparation and delivery of the Fairness Opinion. The fees payable to BMO Capital Markets are not contingent upon the conclusions reached by BMO Capital Markets in the Fairness Opinion or on the completion of the Transactions. In addition, BMO Capital Markets is to be reimbursed for its reasonable and documented out-of-pocket expenses and to be indemnified by the Company for certain liabilities that may arise under its engagement.

Neither BMO Capital Markets, 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 Investor, CC Capital, or any of their respective associates or affiliates (collectively, the "**Interested Transaction Parties**"). BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Transaction Parties within the past two years, other than: (a) acting as financial advisor to the Special Committee pursuant to the engagement letter dated September 17, 2024; and (b) acting as a joint bookrunner to the Company with respect to a secondary offering of common shares of Skyward in June 2023. The fees received for the foregoing engagements were not material to BMO Capital Markets. There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Transaction Parties with respect to future business dealings. BMO Capital Markets and certain of its affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Transaction Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Transaction Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of its affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Transaction Parties or the Transactions. In addition, Bank of Montreal, of which BMO Capital Markets is a wholly owned subsidiary, or one or more affiliates of Bank of Montreal, may provide banking or other financial services to one or more of the Interested Transaction Parties in the ordinary course of business.

Having regard to the nature of BMO Capital Markets' roles in the matters described above and the financial condition of the Company, the Special Committee was satisfied that BMO Capital Markets is an independent financial advisor.

Required Shareholder Approvals

Shareholders will be asked at the Meeting to adopt the Approval Resolutions. Copies of certain of the Approval Resolutions are attached to this Information Circular as Appendices "A" through to and including "C". The Board and Special Committee unanimously recommend that Shareholders vote **FOR** all Approval Resolutions at the Meeting.

Under Alberta law and pursuant to the Interim Order, as described below under the heading "*Business Of The Special Meeting – Court, Regulatory And Other Approvals*", the Arrangement Resolution requires approval of not less than 66⅔% of the votes cast on the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting.

The Private Placement Resolution requires approval of simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by the Investor and any other Shareholders that are required to be excluded in accordance with the policies of the TSXV).

The Arena Reorganization Resolution requires approval of a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting (excluding the votes cast by Excluded Parties).

The New Equity Incentive Plan Resolution requires approval of a simple majority of the votes cast on the New Equity Incentive Plan Resolution by Shareholders present in person or represented by proxy at the Meeting.

Assuming the Company receives the requisite Arrangement Approval for the Arrangement Resolution, the Board will retain the right not to proceed with all or any part of the Arrangement if all of the respective conditions to completion of the Arrangement have not occurred.

TSXV Requirements

Customary approvals from the TSXV are required in order to complete the Transactions. Such TSXV approvals are conditional on, among other things:

(a) with respect to the Private Placement and the Salem Partners Investment, the approval of the Private Placement Resolution by Shareholders (excluding any votes cast by the Investor and any other interested parties);

(b) with respect to the Arena Reorganization, the approval of the Arena Reorganization Resolution by Shareholders (excluding the Excluded Parties);

(c) with respect to the Share Consolidation, the approval of the Arrangement Resolution and evidence that the Company will continue to meet the continuing listing requirements of the TSXV after giving effect to the Share Consolidation; and

(d) with respect to the New Equity Incentive Plan, the approval of the New Equity Incentive Plan Resolution by Shareholders.

Conditional approval has been received from the TSXV in respect of the foregoing matters and the Company has made submissions to the TSXV with respect to the Redomiciliation.

In connection with the monetization of the Arena FINCOs, the Company shall make standard submissions if any such disposition is proposed to be made to a fund managed by Arena and such dispositions are evidenced by value pursuant to TSXV Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions*.

Court, Regulatory and Other Approvals

Court Approval

The Arrangement under the ABCA requires approval by both the Court and Shareholders. Prior to the mailing of this Information Circular, the Company has obtained the interim order (the "**Interim Order**") from the Court, authorizing the calling and holding of the Meeting and the conduct of the Meeting. A copy of the Interim Order is attached as Appendix "F". The Interim Order, among other things, provides for the calling and holding of the Meeting, and the issuance of a notice of originating application for a Final Order (the "**Final Order**"). The Interim Order does not constitute approval of the Arrangement or the contents of this Information Circular by the Court. As set forth in the Interim Order, the hearing in respect of the Final Order is scheduled to take place on December 20, 2024 at 10:00 a.m. (Calgary time) via Webex video conference in Virtual Courtroom 60 (https://albertacourts.webex.com/meet/virtual.courtroom60) subject to the approval of the Arrangement by Shareholders eligible to vote at the Meeting. In accordance with the Interim Order, should the Court adjourn the hearing to a later date, notice of the later date will be given to those who have filed and delivered a notice of intention to appear in accordance with the Interim Order. Any Shareholder or any other interested party (collectively, an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with the Court and serve, upon the Company, on or before 12:00 p.m. (Calgary time) on December 13, 2024, a Notice of Intention to Appear including the Interested Party's address for service, indicating whether such Interested party

intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested party intends to advocate before the Court, and any evidence or materials which the Interested Party intends to present to the Court. Service of this notice on the Company shall be effected by service upon the solicitors for the Company at Stikeman Elliott LLP, Bankers Hall, 4200 3 St SW West 888, Calgary, AB T2P 5C5 Attn: Matti Lemmens.

The authority of the Court is very broad under the ABCA. The Company has been advised by its counsel that the Court may make any enquiry it considers appropriate and may make any order it considers appropriate with respect to the Arrangement. The Court will consider, among other things, the fairness of the terms and conditions and reasonableness of the Arrangement to the Shareholders to whom securities will be issued. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Prior to the hearing on the Final Order, the Court will be informed that the Final Order will also constitute the basis for an exemption from registration under the U.S. Securities Act for the securities of the Company as a Delaware corporation to be issued to the Shareholders in connection with the Redomiciliation pursuant to Section 3(a)(10) of the U.S. Securities Act.

If made, the Final Order approving the Arrangement will constitute the basis for (a) an exemption under the registration and prospectus requirements under Canadian securities laws and (b) an exemption under section 3(a)(10) of the U.S. Securities Act, from the registration requirements of the U.S. Securities Act, with respect to the issuance of the securities of the Company as a Delaware corporation in connection with the Redomiciliation. The Court shall have determined that the terms and conditions of such issuance of securities to Shareholders in the Arrangement are procedurally and substantively fair to Shareholders, and the Final Order shall have been granted in a form satisfactory to the Company, acting reasonably.

Registrar Approval

In order to relocate the Company's jurisdiction of incorporation from Alberta to Delaware, the Company must also seek the approval of the Registrar, who must be satisfied that the Redomiciliation will not adversely affect the Company's creditors or Shareholders.

Financial Regulatory Approvals

For a description of financial regulatory approvals and related covenants under the Investment Agreement, refer to "*Summary Of Key Documents And Agreements – Investment Agreement - Regulatory Covenants*".

SUMMARY OF KEY DOCUMENTS AND AGREEMENTS

The following is a summary of the material terms of the key documents and agreements in connection with the Transaction and is subject to, and qualified in its entirety by, the full text of such agreements, which are available on under the Company's profile on SEDAR+ at www.sedarplus.ca. Capitalized terms in the following summaries not otherwise defined herein have the meanings ascribed to them in each respective agreement.

Investment Agreement

On October 9, 2024, the Company, the Investor, and, solely for purposes of specific sections of the Investment Agreement, Arena, Daniel Zwirn and Lawrence Cutler, entered into the Investment Agreement. The summary of the material terms of the Investment Agreement below and elsewhere in this Information Circular is qualified in its entirety by reference to the Investment Agreement. A copy of the Investment Agreement has been filed under the Company's profile on SEDAR+ at www.sedarplus.ca and is incorporated by reference in the Information Circular. This summary may not contain all of the information about the Investment Agreement that is important to you. We encourage you to read carefully the Investment Agreement in its entirety.

Consideration to Be Paid in the Private Placement

Subject to the terms and conditions of the Investment Agreement, upon the Closing, the Company will issue to the Investor, in exchange for US$250 million in cash, (a) 71,878,947 Common Shares, (b) the Par Warrants and (c) the Incentive Warrants.

Closing of the Private Placement

Unless the Company and the Investor agree otherwise in writing, the Closing will occur on the later of (a) December 1, 2024, and (b) the tenth Business Day after satisfaction or waiver of all the conditions in the Investment Agreement (other than those conditions that by their nature are to be satisfied or waived at the Closing).

Representations and Warranties of the Company, Arena and the Investor

The representations and warranties of the Company contained in the Investment Agreement have been made solely for the benefit of the Investor. In addition, such representations and warranties (a) have been made only for purposes of the Investment Agreement, (b) have been qualified by confidential disclosures made to the Investor in connection with the Investment Agreement, (c) are subject to materiality qualifications contained in the Investment Agreement which may differ from what may be viewed as material by investors generally, (d) were made only as of the date of the Investment Agreement or such other date as is specified in the Investment Agreement and (e) have been included in the Investment Agreement for the purpose of allocating risk between the contracting parties rather than establishing matters as facts. Accordingly, the summary of the representations and warranties set forth below is included in this filing only to provide Shareholders with information regarding the terms of the Investment Agreement and not to provide investors with any other factual information regarding the Company or its business. The Shareholders should not rely on the representations and warranties or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or any of its subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Investment Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.

The Company's representations and warranties relate to, among other things:

- the Company's and its subsidiaries' due organization, valid existence, good standing and requisite corporate power to own, lease and operate assets and properties and carry on its business;
- the Company's articles of incorporation and bylaws;
- required consents and approvals of governmental entities as a result of the transactions contemplated by the Investment Agreement;
- the Company's corporate power and authority to enter into the Investment Agreement and to consummate the transactions contemplated thereby;
- the absence of any violation of or conflict with the Company's and its subsidiaries' organizational documents, applicable law or certain agreements, as a result of entering into the Investment Agreement and consummating the transactions contemplated thereby;
- the Company's capitalization, including in particular the number of Common Shares, Options, RSUs, SARs and DSUs outstanding;
- ownership of the Company's subsidiaries;
- the Company's securities filings in each of the Qualifying Jurisdictions;
- the Company's financial statements contained in its securities filings and implementation of certain internal controls over financial reporting and a system of disclosure controls;
- the absence of any undisclosed liabilities;
- the absence of certain changes and events, including any "Material Adverse Effect", since January 1, 2024;

- the absence of any legal action pending or, to the Company's knowledge, threatened against the Company or its subsidiaries, or, to the Company's knowledge, orders outstanding against the Company or its subsidiaries that would reasonably be expected to be material;
- material contracts;
- tax matters;
- environmental matters;
- employee benefit plans;
- labor and employment matters;
- intellectual property;
- owned and leased real property and title to assets;
- possession of all licenses and permits necessary to operate the Company's properties and carry on its business;
- compliance with anti-corruption laws, applicable sanctions laws, anti-money laundering laws and export-import laws;
- regulatory matters;
- the absence of any transactions with affiliates that would be required to be reported pursuant to applicable securities laws;
- insurance arrangements;
- the absence of undisclosed broker's fees;
- the absence of misrepresentations;
- the Required Shareholder Approvals;
- certain Canadian competition law matters;
- compliance with applicable securities laws;
- receipt by the Company of the Fairness Opinion from BMO Capital Markets; and
- following the Redomiciliation, the absence of any application of Section 203 of the DGCL or other state takeover laws to the Transactions.

Arena's representations and warranties relate to, among other things:

- Arena's and its subsidiaries' due organization, valid existence, good standing and requisite corporate power to own, lease and operate assets and properties and carry on its business;
- Arena's operating agreement;
- required consents and approvals of governmental entities as a result of the transactions contemplated by the Investment Agreement;
- Arena's corporate power and authority to enter into the Investment Agreement and to consummate the transactions contemplated thereby;
- the absence of any violation of or conflict with Arena's and its subsidiaries' organizational documents, applicable law or certain agreements, as a result of entering into the Investment Agreement and consummating the transactions contemplated thereby;

- Arena's capitalization;
- ownership of Arena's subsidiaries;
- the Arena Advisor, the Arena Broker-Dealer, the Arena Clients, and the Arena Funds;
- the absence of any undisclosed liabilities;
- the absence of certain changes and events, including any "Material Adverse Effect", since January 1, 2024;
- the absence of any legal action pending or, to Arena's knowledge, threatened against Arena or its subsidiaries, or, to Arena's knowledge, orders outstanding against Arena or its subsidiaries that would reasonably be expected to be material;
- material contracts;
- tax matters;
- environmental matters;
- employee benefit plans;
- labor and employment matters;
- intellectual property;
- owned and leased real property and title to assets;
- possession of all licenses and permits necessary to operate Arena's properties and carry on its business;
- compliance with anti-corruption laws, applicable sanctions laws, anti-money laundering laws and export-import laws;
- regulatory matters;
- the absence of any transactions with affiliates that would be required to be reported pursuant to applicable securities laws;
- insurance arrangements; and
- the absence of undisclosed broker's fees.

For purposes of the Investment Agreement, "*Material Adverse Effect*" means any state of facts, change, development, event, effect, condition, occurrence, action or omission (each, an "*Effect*") that, alone or together with any other Effects, (a) materially and adversely affects or would reasonably be expected to materially and adversely affect the business, assets, liabilities, properties, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, or (b) prevents, materially impedes or materially delays or would reasonably be expected to prevent, materially impede or materially delay the consummation by the Company of the Private Placement or the other transactions contemplated by the Investment Agreement. For purposes of Arena's representations, each instance of "the Company" in the definition of "*Material Adverse Effect*" shall be replaced with "Arena".

However, none of the following will be deemed either alone or in combination to constitute, and none of the following will be taken into account in determining whether there has been or would be, a Material Adverse Effect on the Company:

- changes after the date of the Investment Agreement in general legal, market, economic or political conditions affecting the industry in which the Company operates, provided that such Effects do not disproportionately affect the Company or its subsidiaries in relation to other companies in the industry in which the Company or its subsidiaries operate;

- changes after the date of the Investment Agreement affecting general worldwide economic or capital market conditions (including changes in interest or exchange rates), provided that such Effects do not disproportionately affect the Company or its subsidiaries in relation to other companies in the industry in which the Company or its subsidiaries operate;
- the announcement of the Investment Agreement or the anticipated consummation of the Private Placement, including any resulting termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with any customer, employee, supplier, service provider, partner or other constituency as a result thereof (provided that the exception in this bullet will not apply to any representation or warranty in the Investment Agreement to the extent the purpose of such representation or warranty is to address the consequences resulting from the execution of or performance under the Investment Agreement or the consummation of the transactions contemplated thereby);
- any decrease in and of itself in the market price or trading volume of the Common Shares (except that the underlying cause or causes of any such decrease may be deemed to constitute, in and of itself or themselves, a Material Adverse Effect and may be taken into consideration when determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur);
- the Company's failure in and of itself to meet any internal or published projections, forecasts or other predictions or published industry analyst expectations of financial performance (except that the underlying cause or causes of any such failure may be deemed to constitute, in and of itself and themselves, a Material Adverse Effect and may be taken into consideration when determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur);
- any change after the date of the Investment Agreement in IFRS, provided that such Effects do not disproportionately affect the Company or its subsidiaries in relation to other companies in the industry in which the Company or such subsidiaries operate;
- actions or omissions of the Company or any of its subsidiaries taken with the express prior written consent of the Investor; and
- any natural disaster, or the commencement or escalation of any war, material armed hostilities or other material international or national calamity or act of terrorism, provided that such Effects do not disproportionately affect the Company or its subsidiaries in relation to other companies in the industry in which the Company or its subsidiaries operate.

In the Investment Agreement, the Investor makes various customary representations and warranties to the Company. Its representations and warranties relate to, among other things:

- its due organization, valid existence and good standing;
- its corporate or other power or capacity, and authority, to enter into the Investment Agreement and, subject to receipt by the Company of the Required Shareholder Approvals, to consummate the transactions contemplated by the Investment Agreement;
- the absence of material omissions and untrue statements of material fact in the information supplied by the Investor in this Information Circular;
- the sufficiency of available funds at Closing to consummate the Private Placement;
- the ECL and Limited Guarantee;
- the appropriate advice obtained and the due diligence investigation made with respect to the Investment Agreement, the Private Placement and the transactions contemplated by the Investment Agreement;
- the Investor's ownership of Company securities; and
- certain Canadian competition law matters.

Conduct of Business Pending the Closing

Under the Investment Agreement, the Company has agreed that, subject to certain exceptions set forth in the Investment Agreement, between the date of the Investment Agreement and the Closing, the Company and its subsidiaries will:

- conduct its business and operations in the ordinary course of business consistent with past practice; and
- use reasonable best efforts to maintain and preserve its and its subsidiaries' business organization, assets, employees, goodwill and business relationships with customers, suppliers, partners and other persons with which they have material business relationships.

Each of the Company and Arena also agreed that during the same period, subject to certain exceptions set forth in the Investment Agreement, neither it, nor its respective subsidiaries, will:

- amend, modify, change or waive any of its respective organizational documents or those of its respective subsidiaries;
- make, declare, set aside, or pay any dividend or distribution on or with respect to its or its subsidiaries' capital stock or other equity interests, other than dividends or distributions by wholly owned subsidiaries in the ordinary course of business consistent with past practice, or enter into any agreement restricting or limiting its ability or its subsidiaries' ability to make, declare, set aside or pay any dividends or distributions;
- adjust, split, subdivide, combine, reclassify, redeem, purchase or otherwise acquire (directly or indirectly) any shares of its capital stock or other equity interests or any securities convertible or exchangeable into or exercisable for any shares of its capital stock or other equity interests, issue, deliver, grant, encumber or sell any of its capital stock or other equity interests or any securities convertible or exchangeable into or exercisable for any shares of its capital stock or such equity interests or securities, enter into any contract with respect to the sale, voting, registration or repurchase of its capital stock or other equity interests, or amend the terms of any of its securities;
- increase or agree to increase compensation or benefits payable or to become payable to, grant any equity or equity base incentive award to, renew or enter into or amend any new employment or severance agreement with, any current or former employees or any directors, managers or officers of the Company or Arena or their respective subsidiaries, or establish, adopt, amend or terminate any Company or Arena benefit plan;
- enter into, terminate, amend or negotiate any collective bargaining agreement or other agreement or contract with any labor organization;
- implement any employee layoffs that could trigger any liability or notice requirements under the WARN Act (as defined in the Investment Agreement);
- take any action to accelerate the vesting, payment, or funding of any compensation or benefits to any current or former company employee or any directors, managers, or officers;
- sell, lease, license, transfer, pledge, encumber, otherwise subject to any lien (as defined in the Investment Agreement), grant or dispose of any material assets of the Company, Arena, or any of their respective subsidiaries, the capital stock, or other equity interests, subject to certain exceptions;
- acquire, by merger, consolidation, acquisition of equity interests or assets, or otherwise, any business, any material assets or properties, or any corporation, partnership, limited liability company, joint venture or other business organization or division of such business organization;
- enter into any contract which if in effect of the date of the Investment Agreement would be, in the case of the Company, a Material Contract (as defined in the Investment Agreement), or, in the case of Arena, any contract that would be material to Arena and its subsidiaries taken as a whole, or would otherwise restrict the Company or its subsidiaries or affiliates from engaging or competing in any line of business or in any geographic area;

- terminate, cancel, amend or waive any material rights under, in the case of the Company, a Material Contract or Company Real Property Lease (as defined in the Investment Agreement) (or in the case of Arena, any contract that would be material to Arena and is subsidiaries, taken as a whole) or any provisions of any confidentiality or standstill agreements in place with any third parties;
- other than intercompany indebtedness, repurchase, prepay, incur, assume, issue or guarantee any indebtedness for borrowed money, or otherwise issue or sell any debt securities or calls, options, warrants, or other rights to acquire any debt securities, enter into any "keep well" or other contract to maintain any financial statement condition of any other person or enter into any arrangement having the economic effect of any of the foregoing;
- other than intercompany indebtedness, make any loans, advances or capital contributions to (other than business advances (that are not material in amount) in the ordinary course of business consistent with past practice), or material investments in or in the securities of, any other person (including any of its officers, directors, managers, employees, agents or consultants);
- make any material change in its or its subsidiaries' existing borrowing or lending arrangements for or on behalf of such persons;
- make, change or revoke any material tax election, adopt or change any tax accounting period or material method of tax accounting, amend any material tax return, settle or compromise any material liability for taxes for any tax audit, claim, or other proceeding, enter into any "closing agreement" within the meaning of Section 7121 of the Code (or any similar provision of state, local or non-U.S. law), surrender any right to claim a material refund of taxes, request any material ruling from any taxing authority, or agree to an extension, modification or waiver of the statute of limitations with respect to a material amount of taxes;
- with respect only to subsidiaries resident in Canada for purposes of the Canadian Tax Act, make any "investment" (as defined for purposes of section 212.3 of the Canadian Tax Act) in any corporation that is a "foreign affiliate" of the relevant subsidiary other than an investment occurring in the ordinary course to fund such foreign affiliate;
- change its or its respective subsidiaries' auditors, or materially change accounting policies or procedures or any of its methods of reporting income, deductions, or other items for material accounting purposes or revalue any of its material assets, other than as required by changes in IFRS, U.S. GAAP (each as defined in the Investment Agreement) and/or applicable Law;
- commence, initiate, waive, release, assign, settle, or compromise any legal action or enter into any settlement agreement with any governmental entity, subject to certain exceptions;
- enter into, terminate, cancel or amend, or waive any material rights under, any arrangement or contract with any of its affiliates, directors, officers, or stockholders;
- take (or refrain from taking) any action, or permitting any action to be taken or not taken, that would reasonably be expected to result in any of the conditions to the Transactions not being satisfied or satisfaction of those conditions being materially delayed;
- adopt or implement any stockholder rights plan or comparable arrangement;
- authorize, recommend, propose, enter into or adopt any plan or agreement of complete or partial liquidation, dissolution, restructuring, recapitalization, merger, consolidation or other reorganization;
- make, commit to make or authorize any capital expenditures that are in excess of $1 million;
- enter into any new material line of business in which the Company, Arena and their respective subsidiaries do not operate as of the date of the Investment Agreement, or withdraw from any existing material line of business;
- acquire, sell, license or sublicense, permit to lapse, assign, cancel, abandon, encumber, dispose of or transfer certain intellectual property, subject to certain exceptions; or

- authorize, agree, or otherwise enter into an agreement to take any of the foregoing actions.

Shareholders' Meeting

The Company has agreed to, as soon as reasonably practicable and, in any event, not later than December 22, 2024, hold the Meeting and to cause the Approval Resolutions to be voted on and approved at such Meeting.

Agreement to Use Reasonable Best Efforts

Subject to the terms and conditions of the Investment Agreement, each party has agreed to use its reasonable best efforts to obtain all required governmental approvals in connection with the completion of the Transactions.

Regulatory Covenants

(a) ManhattanLife Acquisition.

Under the Investment Agreement, the Investor will (and will cause its affiliates to) (a) take, or cause to be taken, all appropriate actions and do, or cause to be done, all things necessary, proper or advisable under applicable Law to consummate the transactions contemplated by the Stock Purchase Agreement, dated as of June 28, 2024, by and between Salem Group Holdings, LLC and ManhattanLife (the "**Madison Purchase Agreement**"), (b) obtain from or provide to any Governmental Entity (as defined in the Investment Agreement) or any other person all consents, orders, permits, licenses, declarations, filings and notifications required to be obtained or made by Investor or the Company or any of their respective affiliates and subsidiaries in connection with the authorization, execution and delivery of the Madison Purchase Agreement and the consummation of the transactions contemplated thereby and (c) make all necessary filings with each Governmental Entity, and thereafter make any other required or requested submissions in connection therewith, with respect to the Madison Purchase Agreement and the transactions contemplated hereby required under applicable Law; provided that in no event shall the Investor or any of its affiliates be required to (x) agree, or take or refrain from taking, any action which is not conditional upon the closing of the transactions contemplated by the Madison Purchase Agreement or (y) agree to, or take or refrain from taking, any action or permit or suffer to exist or agree to permit or suffer to exist any action, restriction, condition, limitation or requirement which, individually or together with all other such actions (taken or refrained from being taken), restrictions, conditions, limitations or requirements, would or would reasonably be expected to, (A) impose any limitation, action, restriction, condition or requirement on the Investor or any of its affiliates, investment funds, permanent capital vehicles or other collective investment vehicles or portfolio companies of the foregoing (including any requirement relating to the contribution or commitment by the Investor or any of its affiliates of capital, keep-well, capital maintenance or similar arrangement), (B) materially and adversely affect the economic benefits reasonably anticipated by the Investor from the transactions contemplated by the Madison Purchase Agreement or (C) limit or restrict the ability of the Investor or any of its affiliates from managing the investment assets of ManhattanLife, in each case, other than customary restrictions on dividends imposed by applicable Laws or restrictions on dividends generally applicable to Texas life insurers or holding company systems of a similar size. In the event the closing of the transactions contemplated by the Madison Purchase Agreement occurs after the Closing, the Investor and the Company shall execute the IMA, the Sub-Advisory Agreement and the Termination Letter Agreement upon the later of such closing and the date the Investor has obtained the Governmental Authorizations set forth on Section 6.08(a) of the Company Letter (but if such Governmental Authorizations are not obtained by the Outside Date, the aforementioned covenant will terminate).

(b) BMA

Under the Investment Agreement, the Investor will (and will cause its affiliates to) (a) submit an application to the Bermuda Monetary Authority (the "**BMA**") to register as a Class (E) reinsurer under the Bermuda Insurance Act 1978 and its related regulations (the "Bermuda Reinsurance Application"), and (b) comply with any action, requirement, limitation, arrangement, restriction or condition typically imposed by the BMA in connection with the registration of a Class (E) reinsurer, other than if such action, requirement, limitation, arrangement, restriction or condition would or would reasonably be expected to result in a Burdensome Condition.

(c) Burdensome Condition

The Investment Agreement provides that neither the Investor nor the Company shall be obligated to take or refrain from taking or to agree to it or any of its affiliates taking or refraining from any action if taking or refraining from taking such action, as applicable, would, or to suffer to exist any action, restriction, condition, limitation or requirement that, individually or in the aggregate with any other actions, restrictions, conditions, limitations or requirements, would or would reasonably be expected to result in a Burdensome Condition.

"**Burdensome Condition**" means (a) for purposes of the Investor's covenant to submit an application to register as a Class (E) reinsurer under the BMA, any action, restriction, condition, limitation or requirement imposed by the BMA which, individually or together with all other such actions (taken or refrained from being taken), restrictions, conditions, limitations or requirements imposed by the BMA, would or would reasonably be expected to, (i) impose any limitation, action, restriction, condition or requirement on the Investor or any of its affiliates, investment funds, permanent capital vehicles or other collective investment vehicles or portfolio companies of the foregoing to provide for the contribution or commitment by the Investor or any of its affiliates of capital, keep-well, capital maintenance or similar arrangement, other than immaterial amounts required in connection with the formation and start-up of the Class (E) reinsurer, (ii) materially and adversely affect the economic benefits reasonably anticipated by the Investor or its affiliates from the transactions contemplated by this Agreement, together with the Exhibits hereto, or (iii) limit or restrict the ability of the Investor or any of its affiliates from managing the investment assets of the entity submitting the Bermuda Reinsurance Application, in each case, other than customary restrictions on dividends imposed by Bermuda Law or restrictions on dividends generally applicable to Bermuda reinsurers or Bermuda holding company systems of a similar size; and (b) for all other purposes under the Investment Agreement, any condition, action, limitation, restriction, requirement or qualification imposed by a Governmental Entity in connection with its grant of any Governmental Authorization that, individually or in the aggregate with any such other conditions, actions, limitations, restrictions, requirements or qualifications imposed by a Governmental Entity in connection with its grant of any Governmental Authorization, that, to the extent it cannot be mitigated through the Resolution Process, (i) with respect to the Investor, obligates the Investor or any of its affiliates to (A) for purposes of complying with Laws relating to competition, sell or otherwise dispose of, or hold separate, any business, assets or properties that would or would reasonably be expected to have a material and adverse effect on the Investor and its affiliates (including the Company and its subsidiaries following the Closing), taken as a whole or (B) agree to any limitation or restriction on its business that would or would reasonably be expected to have a material and adverse effect on the Investor and its affiliates (including the Company and its subsidiaries following the Closing), taken as a whole or (ii) with respect to the Company, obligates the Company or any of its affiliates to agree to any limitation or restriction on its business that would or would reasonably be expected to have a material and adverse effect on the Company and its subsidiaries (including the Investor and its affiliates), taken as a whole. Prior to the Investor or the Company being entitled to assert that a Burdensome Condition has been imposed, the parties shall follow the Resolution Process.

"**Resolution Process**" means, with respect to any action, restriction, condition, limitation or requirement that if imposed by a Governmental Entity in connection with any permit, order, consent, approval or authorization relating to the transactions contemplated by this Agreement would result in a Burdensome Condition, a process by which the Investor and the Company will meet in order to: (a) exchange and review their respective views as to such action, restriction, condition, limitation or requirement; and (b) discuss in good faith potential approaches that would avoid such action, restriction, condition, limitation or requirement or mitigate its impact.

(d) FINRA

Under the terms of the Investment Agreement, the Arena Broker-Dealer, a wholly owned subsidiary of the Company, is required to file a continuing membership application ("**CMA**") under FINRA Rule 1017(a)(4) with the Financial Industry Regulatory Authority ("**FINRA**") for approval of the change of control of the Arena Broker-Dealer that will result from the consummation of the Arena Reorganization, and, as a condition to Closing, must have obtained FINRA's affirmative approval or non-rejection of such applications (the "**FINRA Approval**"). However, the FINRA Approval will not be required at or prior to Closing if (a) 30 calendar days shall have passed since the CMA is filed with FINRA, (b) the Arena Broker-Dealer has notified FINRA in writing at least five days before the Closing that the parties intend to consummate the Closing pursuant to FINRA Rule 1017(c) without final, written approval from FINRA of the CMA, (c) during the period from the filing of the CMA to the Closing, FINRA shall not have informed the parties that FINRA would impose any interim restrictions on the Arena Broker-Dealer if the Closing is

consummated prior to FINRA's approval of the CMA and that the parties are not prohibited from consummating the Closing without FINRA's approval of the CMA, and (d) FINRA shall have not advised at any time prior to the Closing that FINRA expects to disapprove the CMA or grant the CMA only if material restrictions are imposed on the Arena Broker-Dealer. In addition, the parties are required to obtain the approval of, make filings to or notify certain state regulators pursuant to state specific securities and insurance regulations. The CMA was submitted to FINRA on October 24, 2024, consistent with the requirements of FINRA Rule 1017(a)(4). On November 5, 2024, a representative of FINRA confirmed that the CMA for the Arena Broker-Dealer was deemed "substantially complete" as of November 1, 2024.

Share Buyback

As promptly as practicable following the Closing, subject to the approval of a committee of the Board that will be majority comprised of independent directors not nominated by CC Capital, the Company intends implement the Share Buyback to repurchase up to US$100 million of Common Shares at C$5.00 to C$5.25 per Common Share.

Composition of the Post-Closing Company Board

Effective as of the Closing, the Board will be reconstituted and consist of (a) five directors selected and nominated by the Investor, (b) one independent director mutually acceptable to the Investor and the Company, (c) the Company's chief executive officer, (d) any additional independent directors necessary to meet applicable securities regulatory and stock exchange requirements, as selected by the Company's Board, and (e) eleven directors in the aggregate.

Conditions to Closing

The respective obligations of the Investor and the Company to effect the Private Placement are subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

- the Required Shareholder Approvals shall have been obtained;
- the Interim Order and the Final Order shall have each been obtained, and shall not have been set aside or modified in a manner unacceptable to either the Company or the Investor, each acting reasonably, on appeal or otherwise;
- the Articles of Arrangement shall have been sent to the Registrar under the ABCA, and the Certificate of Arrangement shall have been received, in each case, in accordance with the Investment Agreement and applicable Law;
- any waiting period (or extension thereof) applicable to the Investment Agreement, the Private Placement or other transactions contemplated by the Investment Agreement under the HSR Act will have been terminated or will have expired, without the imposition of a Burdensome Condition (as defined in the Investment Agreement) with respect to the party asserting the failure of this condition, and any other approval or waiting period under any other applicable competition, merger control, antitrust or similar law will have been obtained or terminated or will have expired, in each case, without the imposition of a Burdensome Condition with respect to the party asserting the failure of this condition;
- no temporary restraining order, preliminary or permanent injunction or other orders issued by any court of competent jurisdiction or other legal restraint or prohibition that has the effect of preventing, prohibiting or making illegal the consummation of the Private Placement or any of the other transactions contemplated by the Investment Agreement will be in effect;
- the TSXV Final Approval (solely as it relates to the Private Placement) shall have been obtained, and the TSXV Conditional Approval (as it relates to the transactions contemplated under this Agreement other than the Private Placement) shall have been obtained, subject only to customary conditions;
- the Arena Reorganization shall have been completed;
- the consents, approvals, authorizations, waivers, filings or notifications set forth in Section 7.01(h) of the disclosure schedules to the Investment Agreement shall have been made or obtained;

- the number of Common Shares held by the Company's shareholders that have validly exercised Dissent Rights (and not withdrawn such exercise) shall not exceed 10% of the Common Shares issued and outstanding as of the date of the Investment Agreement; and

- the agreements set forth in Section 2.04(d) of the Investment Agreement shall have been executed and delivered by the relevant parties.

The obligations of the Investor to effect the Private Placement are further subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

- the representations and warranties of (a) the Company with respect to organization and power, corporate authorizations, non-contravention, takeover statutes, and brokers, and (b) Arena with respect to organization and power and authorization must have been true and correct as of the date of the Investment Agreement and as of the Closing as though made on and as of the Closing (except to the extent a representation or warranty is made as of a specified time, in which case such representation or warranty must be true and correct in all material respects at and as of such time);

- the representations and warranties of the Company with respect to capitalization must have been true and correct in all respects other than for any *de minimis* inaccuracies as of the date of the Investment Agreement and will be true and correct in all respects other than for any *de minimis* inaccuracies as of the Closing as though made on and as of the Closing (except to the extent a representation or warranty is made as of a specified time, in which case such representation or warranty must be true and correct in all but *de minimis* respects at and as of such time);

- the other representations and warranties of the Company and Arena must have been true and correct as of the date of the Investment Agreement and must be true and correct as of the Closing as if made at and as of such time (except to the extent a representation or warranty is made as of a specified time, in which case such representation or warranty must be true and correct at and as of such time), with only such exceptions with respect to this bullet, as stated in the Investment Agreement, as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; provided, that, with respect to the first bullet point and this bullet point, any exceptions and qualifications with regard to materiality or Material Adverse Effect contained in such representations or warranties will be disregarded;

- each of the Company and Arena has performed in all material respects all obligations required to be performed by it under the Investment Agreement at or prior to the Closing;

- the Closing Revenue Run-Rate (as defined in the Investment Agreement) shall not be less than a specified percentage of the Base Revenue Run Rate (as defined in the Investment Agreement);

- the agreements set forth in Section 2.04(b), Section 2.04(c) and 2.04(f)(ii) of the Investment Agreement shall have been executed and delivered by the Company, Arena and/or their applicable respective subsidiaries;

- the Board shall consist of eleven (11) members and Chinh Chu, Douglas Newton, Matthew Skurbe, Richard DiBlasi and Deanna Mulligan shall each have been duly appointed to the Board, and Chinh Chu and Ian Delaney shall have been duly appointed as chairman and vice chairman, respectively, of the Board;

- the Investor shall have received a certificate dated as of the Closing Date and signed on behalf of each of the Company and Arena, by two officers of each of the Company and Arena, to the effect that the conditions set forth in the first, second, third and fourth bullet points above have been satisfied; and

- there shall not have occurred any Material Adverse Effect that is continuing.

The obligation of the Company to effect the Private Placement is further subject to the satisfaction or waiver on or prior to the Closing of the following conditions:

- the representations and warranties of the Investor in the Investment Agreement that are qualified as to materiality must be true and correct (as so qualified) and the representations and warranties of the Investor which are not so qualified must be true and correct in all material respects, in each case as of the date of the Investment Agreement and as of the Closing with the same effect as though made as of the Closing (except

that the accuracy of those representations and warranties that by their terms speak as of a specified date will be determined as of such date);

- the Investor has performed in all material respects all obligations required to be performed by it under the Investment Agreement at or prior to Closing;
- the agreements set forth in Section 2.04(e) of the Investment Agreement shall have been executed and delivered by the Investor to the Company; and
- the Investor shall have submitted the Bermuda Reinsurance Application (as defined in the Investment Agreement).

Termination

The Company and the Investor may agree in writing to terminate the Investment Agreement, and the Private Placement and other transactions contemplated by the Investment Agreement may be abandoned, at any time prior to the Closing, whether before or after the Required Shareholder Approvals have been obtained. The Investment Agreement may also be terminated:

- by either the Investor or the Company if:
    - the Closing has not occurred on or prior to March 31, 2025; provided that if certain Governmental Authorizations have not been obtained by such date, this date may be extended for up to two additional monthly periods (i.e., no later than May 31, 2025) at the written election of either the Investor or the Company; provided, further, that such right to terminate the Investment Agreement will not be available to any party whose action or failure to act has been a contributing cause of, or resulted in the failure of, the Closing to occur on or before such date and such action or failure to act constitutes a breach of the Investment Agreement;
    - certain legal restraints will be in effect and will have become final and non-appealable, provided that the party seeking termination shall have complied with certain litigation cooperation covenants under the Investment Agreement; or
    - the Meeting has been held and the Required Shareholder Approvals have not been received there in accordance with the Interim Order, or at any adjournment or postponement of such Meeting;
- by the Investor if:
    - the Company has breached any of its representations or warranties or failed to perform any of its covenants or other agreements contained in the Investment Agreement, which breach of failure to perform (a) would give rise to the failure of a Closing condition to not be satisfied, and (b) that is incapable of being cured by the Company, or if capable of being cured by the Company, the Company does not cure such breach or failure within 20 days after its receipt of written notice thereof from the Investor, provided that the right to terminate the Investment Agreement will not be available to the Investor if the Investor is then in material breach of any of its representations, warranties, agreements or covenants contained in the Investment Agreement; or
    - certain legal restraints will be in effect and will have become final and non-appealable; and
- by the Company, if the Investor will have breached any of its representations or warranties or failed to perform any of its covenants or other agreements contained in the Investment Agreement, which breach or failure to perform (a) would give rise to the failure of a Closing condition, and (b) is incapable of being cured by the Investor, or if capable of being cured by the Investor, the Investor does not cure such breach or failure within 20 days after its receipt of written notice thereof from the Company, provided that the right to terminate the Investment Agreement will not be available to the Company if the Company is then in material breach of any of its representations, warranties, agreements or covenants contained in the Investment Agreement.

Expense Reimbursement

If the Investment Agreement is terminated on account of failure to obtain the necessary Required Shareholder Approvals, then the Company shall pay to the Investor all out-of-pocket costs and expenses reasonably incurred by or on behalf of the Investor and its affiliates in connection with the Investment Agreement. The expense reimbursement shall be capped at US$10 million.

Warrants

The below summary of the material terms of the Warrants to be issued pursuant to the Transactions is qualified in its entirety by reference to the form of Par Warrant and form of Incentive Warrant, copies of which are attached as Exhibit A and Exhibit B, respectively, to the Investment Agreement. This summary may not contain all of the information about the Warrants that is important to you. We encourage you to read carefully the Warrants in their entirety.

Without giving effect to the Share Consolidation, the aggregate number of Common Shares subject to the Par Warrants will initially be 7,822,057 shares, and the aggregate number of Common Shares subject to the Incentive Warrants will initially be 23,466,171 Common Shares. The Warrants will be exercisable at the option of the holder at any time from the Closing Date until the fifth anniversary of the Closing Date. The Par Warrants will only vest in the event that the Common Stock Price Target Condition is met. The number of Common Shares issuable pursuant to the Warrants is subject to customary adjustments and adjustments to maintain the percentage of issued and outstanding Common Shares issuable pursuant to the Warrants following completion of the Share Consolidation and Share Buyback.

Without giving effect to the Share Consolidation, and subject to customary anti-dilution adjustments, the Par Warrants will have an exercise price of C$4.02 per Common Share, and the Incentive Warrants will have an exercise price of C$4.75 per Common Share.

Cashless Exercise Option

Each Warrant may be exercised, in whole or in part, at any time or times on or after the issuance date and on or before the expiration date at the election of the holder (in such holder's sole discretion) by means of a "cashless exercise" in which the holder will be entitled to receive a number of Common Shares equal to the product of the average VWAP for the three business days immediately preceding the date on which the holder elects to exercise its warrant, less the exercise price of the Warrant, multiplied by the number of Common Shares that would be issuable upon exercise of such Warrant, divided by the aforementioned average VWAP.

Transfer of Securities

The offer and sale of the Warrants and the Common Shares issuable upon exercise thereof will not be registered under the U.S. Securities Act and may not be offered or sold by the holders thereof except in compliance with the registration requirements of the U.S. Securities Act and any other applicable securities laws or in accordance with an exemption or exemptions from such registration requirements. The above-mentioned securities will have the benefit of certain registration rights pursuant to the Investor Rights Agreement, as described below.

Voting Rights and Dividends

Holders of the Warrants (in their capacity as such) will not be entitled to any rights of a stockholder of the Company, including the right to vote or to consent with respect to any matter or to receive cash dividends or other pro rata distributions (subject to certain exceptions), prior to exercising their Warrants.

Amending Agreement

The Investment Agreement originally contemplated that the Share Consolidation and Redomiciliation would occur substantially concurrently with the closing of the Private Placement. On November 15, 2024, the parties amended the Investment Agreement and certain exhibits thereto (the "**Amending Agreement**") to provide that, among other things, the Share Consolidation and Redomiciliation may occur prior to, and independent of, the closing of the Private Placement, without regard to the satisfaction or waiver of the closing conditions for the Private Placement contemplated by the Investment Agreement (subject to obtaining the requisite Shareholder approval). The Company

is pursuing the Redomiciliation independent of the Private Placement because the Redomiciliation is intended to enhance shareholder value over the long term by, among other things, facilitating the attraction of capital, aligning the domicile of the parent entity within the location of operations, and ensuring that the Company will not continue to be treated as a "passive foreign investment company" for U.S. federal income tax purposes (see "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations*" and "*Certain U.S. Federal Income Tax Considerations – PFIC Considerations*").

Investor Rights Agreement

At the Closing, the Company and the Investor will enter into an Investor Rights Agreement (a copy of which is attached as Exhibit E to the Investment Agreement), pursuant to which the Investor will be entitled to, among other things, certain board nomination rights at the Company. Pursuant to the Investor Rights Agreement, following the Closing, Chinh Chu will serve as Executive Chair of Board and Ian Delaney, the current Executive Chair, will transition to Vice Chair. Immediately following the Closing, the Board will consist of 11 directors, five of whom will be nominated by the Investor and five of whom will be nominated by the Company (one of whom will be the Chief Executive Officer of the Company), along with an independent director nominated in coordination between the Investor and the Company. J. Cameron MacDonald will continue to lead the Company as Chief Executive Officer. Daniel Zwirn, the current Chief Executive Officer and Chief Investment Officer of various Arena-related entities, will have observer rights on the Board, and will be appointed to the Board, as one of the Company's 5 nominees, if the Common Stock Price Target Condition is achieved.

In the event that the Common Stock Price Target Condition is met, the Investor will have the right to nominate an additional nominee to the 11-member Board.

Board Representation

As described above, following the Closing, the Investor will be entitled to nominate 5 out of the 11 nominees to the Board, subject to the stepdowns described below. In addition, as described above, in the event the Common Stock Price Target Condition is met, the Investor will have the right to nominate an additional nominee to the 11-member Board.

The Investor has nominated the following individuals to serve on the Board upon Closing, in connection with the Investment Agreement: Mr. Chinh Chu, Mr. Douglas Newton, Mr. Matthew Skurbe, Mr. Richard DiBlasi and Ms. Deanna Mulligan. For further details, see "*Directors*".

Board Representation Stepdowns

Following the Closing, the number of directors the Investor will be entitled to nominate to the Board (excluding the additional nominee it will become entitled to nominate in the event the Common Stock Price Target Condition is met) will be subject to adjustment in the manner set forth in the table below.

Investor Directors	**Minimum Investor Ownership Percentage[(1)]**	**Investor Common Share Value[(2)]**
Prior to Year 2[(3)]		
Five (5) Directors	100%	$75,000,000
Three (3) Directors	66.7%	n/a
One (1) Director	25%	n/a
Zero	< 25%	n/a
Year 2 – Year 5		
Five (5) Directors	66.7%	$75,000,000
Three (3) Directors	50%	n/a
One (1) Director	15%	n/a
Zero	< 15%	n/a

Investor Directors	Minimum Investor Ownership Percentage[1]	Investor Common Share Value[2]
Year 5 – Year 10		
Five (5) Directors	50%	$75,000,000
Three (3) Directors	25%	n/a
One (1) Director	10%	n/a
None	< 10%	n/a
After Year 10		
Five (5) Directors	25%	$75,000,000
Three (3) Directors	15%	n/a
One (1) Director	5%	n/a
Zero	< 5%	n/a

Notes:

(1) Determined by dividing the number of Common Shares beneficially owned by the Investor and its Affiliates (as defined in the Investor Rights Agreement) at the relevant measurement time, by the number of Common Shares beneficially owned by the Investor and its Affiliates (but excluding any Common Shares for which the purchase price thereof is funded to the Investor by a person other than CC Capital or its Affiliates) immediately after the Closing.

(2) Represents the value of Common Shares beneficially owned by the Investor and its Affiliates at the relevant measurement time. For this determination, (a) if the Investor has not sold any Common Shares to an unaffiliated third party for cash, the value of a Common Share will be C$4.75, and (b) if the Investor has sold Common Shares to an unaffiliated third party for cash, the value of a Common Share will be the last sale price.

(3) Each "Year" commencing on the applicable annual anniversary date of Closing.

Participation Rights

In connection with certain issuances of securities by the Company (each, a "**Subsequent Offering**"), the Investor will have the right to subscribe for and to be issued, on a private placement basis and substantially on the terms and conditions of such Subsequent Offering, securities that will result in the Investor owning the same percentage of Company shares, on a partially diluted basis, that it owned immediately prior to the completion of the Subsequent Offering.

Registration Rights

The Investor will have the right, subject to certain limitations and to the extent permitted by applicable Law, to require the Company to file a prospectus and/or a registration statement under applicable securities laws qualifying the Company shares held by the Investor for distribution in Canada and/or the United States. In addition, the Investor may, in certain circumstances, require the Company to include shares held by the Investor in certain proposed distributions of shares in Canada and/or the United States by the Company for its own account.

Standstill and Transfer Restrictions

For a period of 36 months following the Closing, the Investor will agree not to, and shall cause its affiliates not to, directly or indirectly, acquire or agree to acquire or make any proposal or offer to acquire any voting shares or convertible securities of the Company that would cause the Investor's aggregate beneficial ownership to exceed 49% of the issued and outstanding Company shares, other than pursuant to the exercise by the Investor or its affiliates of the Warrants. In addition, the Investor has agreed not to effect, seek, offer, or propose any Change of Control Transaction (as defined in the Investor Rights Agreement), pursuant to which the Investor, together with its affiliates or any other persons acting in concert, becomes the beneficial owner of more than 50% of the then outstanding

Company shares other than pursuant to the exercise by the Investor or its affiliates of the Warrants, subject to certain exceptions. For a period of 24 months following the Closing, the Investor will be prohibited from knowingly transferring any shares or convertible securities of the Company to any person that, following such transfer, would, either alone or together with persons acting jointly or in concert, beneficially own 10% or more of the shares of the Company, subject to certain exceptions.

Voting Support

During the 36 month period following closing, the Investor will agree to vote its shares in favor of the election of each independent director nominated by the Company for election to the Board and to not vote any shares in favor of any shareholder nomination to the Board (other than the Investor's nominees) not approved by the Board or any proposal or resolution to remove any independent director serving on the Board (other than an Investor nominee).

Approval Rights

Pursuant to the Investor Rights Agreement, and subject to certain exceptions and, depending on the matter, the number of director nominees the Investor is entitled to nominate to the Board of the Company at a given time, the prior written consent of the Investor will be required for certain actions.

At any time the Investor is entitled to nominate at least one director to the Board of the Company in accordance with the table under the heading "*Summary Of Key Documents And Agreements – Investor Rights Agreement – Board Representation Stepdowns*", the Company will not take any of the following actions without the prior written consent of the Investor: (a) amend the Investor Rights Agreement other than in accordance with its terms, amend any other Transaction Agreement (as defined in the Investor Rights Agreement) or, except as required by law, make any amendments to the constating documents of the Company or any of its subsidiaries that would adversely affect the rights of the Investor; (b) make any changes to the jurisdiction of organization or entity classification of the Company or its subsidiaries, or make any tax election of the Company or its subsidiaries; (c) initiate, enter into a definitive agreement with respect to or effect any reclassification, recapitalization, reorganization, or restructuring that may adversely impact the rights or privileges of the Investor or of existing shareholders of the Company; (d) enter into or authorize transactions, including entry into, renewal and termination of, amendment to, grant of consents and waivers under, related-party agreements, including any shareholder loans, between the Company, Arena or any of their respective subsidiaries, on the one hand, and any director, executive officer or other affiliate or related-party of the Company, Arena or any of their respective subsidiaries, on the other hand, subject to certain exclusions, including for employee or director compensation and/or incentive awards in the ordinary course of business; (e) make any commitment or enter into or authorize any agreement purporting to bind or otherwise subject the Investor or any of its affiliates (other than the Company or a subsidiary of the Company, if applicable) to any obligation other than as agreed to by the parties; (f) remove, or cause to be removed, any Arena Board Representative (as defined in the Investor Rights Agreement) from the board of managers of Arena or (g) enter into any binding agreement, contract or commitment to effect, or announce any intention to do, any of the foregoing.

At any time the Investor is entitled to nominate at least three directors to the Board of the Company in accordance with the table under the heading "*Summary Of Key Documents And Agreements – Investor Rights Agreement – Board Representation Stepdowns*", the Company will not take any of the following actions without the prior written consent of the Investor: (a) change, remove, terminate or otherwise direct or approve the replacement of the Chief Executive Officer or the Chief Financial Officer (or other persons in substantially equivalent positions of either the Company or Arena); (b) (i) purchase, repurchase, redeem, retire or acquire any equity securities of the Company or its subsidiaries, other than any purchase, repurchase, redemption, retirement or acquisition thereof within a price or payment range per security consented to in writing by the Investor or pursuant to the SIB (as defined in the Investor Rights Agreement) in accordance with the terms of the Investment Agreement or (ii) declare, make or pay, or cause to be declared, made or paid, any dividend or make any other payment or distribution on account of any equity securities of the Company, subject to certain exceptions; (c) issue any equity securities (or securities convertible into equity securities) of the Company which rank senior to, or have rights, preferences or privileges senior to, the Common Shares; (d) enter into any material new business line or otherwise materially change the nature of the Company's business, or the business of any subsidiaries; (e) enter into or authorize any investments, acquisitions, dispositions, or divestitures with an aggregate value in excess of US$3 million; (f) appoint or remove the Company's or any of its subsidiaries' auditors or implement any material change to accounting principles or practices; (g) approve any change of control or sale of

a majority of the assets of the Company, or any filings or petition for bankruptcy; (h) approve any increase or decrease to the number of directors on the Board, the number of managers on the board of managers of Arena or the number of directors constituting the board of directors or similar governing body of any subsidiary of the Company or change the number of votes entitled to be cast by any director or directors on any matter (i) enter into any binding agreement, contract or commitment to effect, or announce any intention to do, any of the foregoing.

At any time the Investor is entitled to nominate at least five directors to the Board of the Company in accordance with the table under the heading "*Summary Of Key Documents And Agreements – Investor Rights Agreement – Board Representation Stepdowns*", the Company will not take any of the following actions without the prior written consent of the Investor: (a) except as required by law, make any material amendments to the constating documents of the Company or any of its subsidiaries (whether or not such amendments would adversely affect the rights of the Investor); (b) change, remove, terminate or otherwise direct or approve the replacement of the Chief Operating Officer or the Chief Strategy Officer (or other persons in substantially equivalent positions of either the Company or Arena) (collectively with the officers identified in clause (a) of the immediately preceding paragraph, the "**Senior Officers**"); (c) materially amend the compensation or materially amend or waive any other terms of employment of any Senior Officer; (d) enter into financing arrangement, incur indebtedness other than Permitted Indebtedness (as defined in the Investor Rights Agreement) in excess of US$15 million in aggregate or prepay any indebtedness, or incur, assume or suffer to exist any lien that is not a Permitted Lien (as defined in the Investor Rights Agreement); (e) initiate or settle any litigation, arbitration or similar proceeding unless (i) (A) if settled, such settlement would not reasonably be expected to have an adverse reputational impact on the Company or its subsidiaries, (B) no non-monetary obligation (with respect to settlement agreements, excluding customary obligations, such as covenants of the Company or its subsidiaries not to sue) would be imposed on the Company or any of its subsidiaries and no obligations purporting to bind the Investor or any of its affiliates (other than the Company or a subsidiary of the Company) would be imposed on the Company or any of its subsidiaries and (C) any amounts to be paid by the Company and/or its subsidiaries would not be in excess of US$3 million or (ii) the Investor or one of its subsidiaries is a party in direct opposition to the Company in such litigation, arbitration or similar proceeding; (f) create, adopt, amend, waive, terminate or repeal any security-based compensation plan of the Company or any of its subsidiaries or amend or waive the terms of any option or other grant made pursuant to any such plan, in each case except as otherwise approved by the Board; or (g) enter into any binding agreement, contract or commitment to effect, or announce any intention to do, any of the foregoing.

Further, approval of the majority of the Board and each of the Investor's nominees on the Board at such time will be required to, among other things (a) remove the General Partner of Salem Partners; (b) issue, repurchase, redeem, retire or acquire any equity securities or securities convertible into equity securities of Arena or any of its subsidiaries; (c) initiate or consummate the sale, in one or a series of related transactions, of all or substantially all of the properties or assets of Arena and its subsidiaries, taken as a whole, other than to any wholly owned subsidiary of Arena; (d) initiate or consummate a plan or scheme of arrangement, merger, amalgamation, consolidation, stock sale, tender offer, take-over bid or other transaction or series of related transactions, which leads to a change of control of Arena; (e) approve any increase or decrease to the number of members constituting the board of managers of Arena; (f) approve any changes to the jurisdiction of organization or entity classification of Arena, or any tax election for Arena; (g) approve any amendments to the governing documents of Arena; or (h) enter into any binding agreement, contract or commitment to effect, or announce any intention to do, any of the foregoing.

Until the Common Stock Price Target Condition is met, approval of the majority of the Board (including at least two directors that are not Investor nominees) will be required for, among other things (a) the sale of all or substantially all of the properties or assets of Arena and its subsidiaries, taken as a whole, or any change in control of Arena, subject to certain exceptions; (b) the liquidation, dissolution, winding-up or petitioning for bankruptcy of the Company or any material subsidiary; (c) declaring any dividend or making any other payment or distribution on account of any shares or convertible securities of the Company that is material to the Company and its subsidiaries, taken as a whole; (d) entering into any new line of business or materially changing the nature of the Company's business, subject to certain exceptions; (e) amending the constating documents of the Company in a manner that would affect the governance rights, obligations, or preferences of the parties to the Investor Rights Agreement; (f) increasing the number of directors constituting the Board; and (g) entering into any binding agreement, contract or commitment to effect, or announcing any intention to do, any of the foregoing.

Zwirn Employment Agreement

On October 9, 2024, Daniel Zwirn entered into an employment agreement with Arena Management Co., LLC ("**Arena Management**"), a wholly owned subsidiary of Arena, pursuant to which Mr. Zwirn will be employed as the Chief Executive Officer and Chief Investment Officer of Arena and its subsidiaries and certain of Arena's affiliates (the "**Zwirn Employment Agreement**"). The principal terms of the Zwirn Employment Agreement are described below.

Position and Reporting

Mr. Zwirn will serve as Chief Executive Officer and Chief Investment Officer of Arena and its subsidiaries, reporting to the Arena Board.

Salary

Arena Management will pay Mr. Zwirn a base salary at a rate of US$200,000 per year, payable in accordance with regular payroll practices and subject to periodic upward adjustment, at the discretion of Arena Management.

Termination Event

Arena Management may terminate Mr. Zwirn's employment during the term with or without cause and Mr. Zwirn may resign his employment on 90 days' prior written notice to Arena Management (or may resign for good reason in certain circumstances as described below). The term will also end upon Mr. Zwirn's permanent disability or death.

Death/Disability/Qualified Retirement

In the event that Mr. Zwirn's employment ends on account of his death, disability or qualified retirement (as described in the Zwirn Employment Agreement), Mr. Zwirn will be entitled to receive:

- any unpaid base salary through the date of termination, reimbursement for any unreimbursed business expenses incurred through the date of termination, pursuant to the Company's policy, and any accrued but unused vacation time in accordance with Arena Management's policy with the accrued benefits paid on the next regularly scheduled payday after your termination, or such earlier date as may be required by applicable Law (collectively, the "**Zwirn Accrued Benefits**");

- any other payments, benefits or fringe benefits to which you may be entitled under the terms of any applicable compensation arrangement, benefit plan or program, which shall be subject to the terms and provisions of such compensation arrangement, benefit plan or program; and

- any other rights provided in the A&R Arena LLCA.

Termination for Cause or Without Good Reason

If Mr. Zwirn's employment is terminated by Arena Management for cause or he resigns for good reason, Mr. Zwirn will receive:

- the Zwirn Accrued Benefits on the next regularly scheduled payday after Mr. Zwirn's termination, or such earlier date as may be required by applicable Law. Any other payments, benefits or fringe benefits to which Mr. Zwirn may be entitled under the terms of any applicable compensation arrangement, benefit plan or program;

- the right to sell up to 33.3% per annum of his interest in Arena Special Opportunities Fund, LP ("**ASOF**"), at the beginning of each of the first three years following the date of termination, at its then-current "net asset value," as determined by the ASOF fund administrator; and

- any other rights provided in the A&R Arena LLCA.

Termination Without Cause or For Good Reason

If Mr. Zwirn's employment is involuntarily terminated by Arena Management without cause (other than for death or disability) or by Mr. Zwirn for good reason, Mr. Zwirn will receive:

- the Zwirn Accrued Benefits, which shall be paid on the next regularly scheduled payday after Mr. Zwirn's termination, or such earlier date as may be required by applicable Law;
- all other payments, benefits or fringe benefits to which Mr. Zwirn may be entitled under the terms of any applicable compensation arrangement, benefit plan or program, subject to the terms and provisions of such compensation arrangement, benefit plan or program;
- any other rights provided in the A&R Arena LLCA, including any rights to post-termination distributions as set forth therein; and
- full acceleration of any then-unvested equity or equity-based incentive awards of the Company (with any applicable performance-based equity or equity-based awards vesting at the actual level of performance at the end of the performance period).

Restrictive Covenants

Mr. Zwirn is generally subject to the following restrictive covenants: employee and customer non-solicitation covenants during his employment and for a period of two years thereafter; confidentiality and mutual non-disparagement covenants during his employment and thereafter; and non-competition covenants during his employment and for a period of two years thereafter.

Cutler Employment Agreement

On October 9, 2024, Lawrence Cutler entered into an employment agreement with Arena Management (the "**Cutler Employment Agreement**"), pursuant to which Mr. Cutler will be employed as the Chief Operating Officer of Arena and its subsidiaries and certain of Arena's affiliates, and effective on the first day of the term, Mr. Cutler will also be appointed as a member of the board of directors of Arena.

Position and Reporting

Mr. Cutler will serve as Chief Operating Officer of Arena and its subsidiaries, reporting to the board of directors of Arena.

Salary

Arena Management will pay Mr. Cutler a base salary at a rate of US$200,000 per year, payable in accordance with regular payroll practices and subject to periodic upward adjustment, at the discretion of Arena Management.

Termination Event

Arena Management may terminate Mr. Cutler's employment during the term with or without cause and Mr. Cutler may resign his employment on 90 days' prior written notice to Arena Management (or may resign for good reason in certain circumstances as described below). The term will also end upon Mr. Cutler's permanent disability or death. *Death/Disability/Qualified Retirement.* In the event that Mr. Cutler's employment ends on account of his death, disability or qualified retirement (as described in the Cutler Employment Agreement), Mr. Cutler will be entitled to receive:

- (a) any unpaid base salary through the date of termination, (b) reimbursement for any unreimbursed business expenses incurred through the date of termination, pursuant to the Company's policy, (c) any accrued but

unused vacation time in accordance with Arena Management's policy with the accrued benefits paid on the next regularly scheduled payday after your termination, or such earlier date as may be required by applicable Law (collectively, the "Cutler Accrued Benefits");

- any other payments, benefits or fringe benefits to which you may be entitled under the terms of any applicable compensation arrangement, benefit plan or program, which shall be subject to the terms and provisions of such compensation arrangement, benefit plan or program; and

- any other rights provided in the A&R Arena LLCA.

Termination for Cause or Without Good Reason

If Mr. Cutler's employment is terminated by Arena Management for cause or he resigns for good reason, Mr. Cutler will receive:

- the Cutler Accrued Benefits on the next regularly scheduled payday after Mr. Cutler's termination, or such earlier date as may be required by applicable Law. Any other payments, benefits or fringe benefits to which Mr. Cutler may be entitled under the terms of any applicable compensation arrangement, benefit plan or program; and

- any other rights provided in the A&R Arena LLCA.

Termination Without Cause or For Good Reason

If Mr. Cutler's employment is involuntarily terminated by Arena Management without cause (other than for death or disability) or by Mr. Cutler for good reason, Mr. Cutler will receive:

- the Cutler Accrued Benefits, which shall be paid on the next regularly scheduled payday after Mr. Cutler's termination, or such earlier date as may be required by applicable Law;

- all other payments, benefits or fringe benefits to which Mr. Cutler may be entitled under the terms of any applicable compensation arrangement, benefit plan or program, subject to the terms and provisions of such compensation arrangement, benefit plan or program;

- any other rights provided in the A&R Arena LLCA, including any rights to post-termination distributions as set forth therein; and

- full acceleration of any then-unvested equity or equity-based incentive awards of the Company (with any applicable performance-based equity or equity-based awards vesting at the actual level of performance at the end of the performance period).

Restrictive Covenants

Mr. Cutler is generally subject to the following restrictive covenants: employee and customer non-solicitation covenants during his employment and for a period of two years thereafter; confidentiality and mutual non-disparagement covenants during his employment and thereafter; and non-competition covenants during his employment and for a period of two years thereafter.

Consulting Agreement

On October 9, 2024, the Company entered into a consulting agreement with Wembley Management, LLC (the "**Consultant**"), an affiliate of CC Capital, pursuant to which the Consultant will provide the Company with services relating to the Company's asset management strategy. In exchange for the Consultant's services, the Company will grant the Consultant an award of PSUs equal to two percent (2%) of the outstanding Common Shares measured as of

the Closing, to be issued on Closing pursuant to the New Equity Incentive Plan, and will receive customary expense reimbursement.

Under the terms of the Consulting Agreement, for so long as the Investor is entitled to nominate at least two director nominees to the Company, the Consultant will be entitled to receive ongoing future grants of PSUs representing 25% of the Common Shares underlying equity compensation grants to directors or officers of the Company from time to time. The Consulting Agreement also provides that the Company will appoint a Chief Strategy Officer, reporting to the Company's Chief Executive Officer and responsible for stewarding the implementation and execution of the Company's contemplated insurance strategy. Richard DiBlasi, Managing Director at CC Capital, was appointed Chief Strategy Officer of the Company on November 1, 2024.

Equity Commitment Letter and Limited Guarantee

On October 9, 2024, the Investor and CC Capital SP, LP (the "**Equity Investor**") entered into an equity commitment letter (the "**ECL**"), pursuant to which the Equity Investor will provide financing to the Investor by purchasing equity securities of the Investor with an aggregate cash purchase price not to exceed US$250 million, solely for the purpose of funding the purchase price required to be paid by the Investor under the Investment Agreement at the Closing. The obligations under the ECL are subject to the satisfaction of the Investor's closing conditions set forth in the Investment Agreement, as described above.

Concurrently with the execution and delivery of the ECL, the Equity Investor executed and delivered to the Company a limited guarantee (the "**Limited Guarantee**") relating to certain of the Investor's obligations under the Investment Agreement. Pursuant to the Limited Guarantee, the Equity Investor guarantees to the Company to pay any damages awarded to the Company pursuant to the Investment Agreement when (and only if) any such damages become payable by the Investor pursuant to the Investment Agreement. The Equity Investor's liability is capped at US$25 million under the Limited Guarantee.

Investment Management Agreement

Subject to and upon the acquisition of Salem Partners' acquisition of ManhattanLife, ManhattanLife and the Investment Manager will enter into the IMA (the form of which is attached as Exhibit I to the Investment Agreement).

Appointment; Investment Management Services

Upon the execution of the IMA, ManhattanLife will appoint the Investment Manager as investment manager with discretionary authority to manage the investment and reinvestment of the funds and assets in ManhattanLife's general account and all other accounts or sub-accounts (the "**Portfolio**"), which will also provide asset management support services and portfolio management support services. The Investment Manager will be responsible for the investment and reinvestment of the funds and assets of the Portfolio and may engage in all such acts on behalf of ManhattanLife as the Investment Manager may deem necessary or advisable in connection with providing such services.

Investment Guidelines

The Investment Manager will be required to manage the Portfolio in accordance with the Investment Guidelines set forth in the IMA.

Sub-Managers and Other Advisers

Subject to the prior written approval of ManhattanLife with respect to any third-party investment manager, the Investment Manager may delegate any of its responsibilities under the IMA, or otherwise utilize the investment management services of any Sub-Manager (as defined in the IMA), including an affiliate of the Investment Manager; *provided* that, in each case, (a) any such delegation will be revocable by the Investment Manager consistent with the terms and conditions related to the appointment of such Sub-Manager, (b) no such designation will relieve the Investment Manager from any of its obligations or liabilities under the IMA and (c) the Investment Manager will direct any Sub-Manager to comply with the Investment Guidelines and the Investment Manager will be responsible

for monitoring that any Sub-Manager complies with any Investment Guidelines. ManhattanLife will be responsible for all fees, expenses and other compensation payable to sub-Managers in respect of such delegations, which must not be duplicative of any management fee arising with respect to assets managed by a Sub-Manager. The Investment Manager may also retain the services of professional advisors to advise it in connection with the performance of the services under the IMA, and ManhattanLife will be responsible for any fees, expenses and disbursements arising therefrom.

Fees

(a) Management Fee

ManhattanLife will pay to the Investment Manager a management fee in respect of each Account (as defined in the IMA) (such fee, a "**Management Fee**"). The amount of the Management Fee will be based on a percentage of the average net asset value of each asset class in an Account ("**Average Net Asset Value**"). Each Account will only be charged a Management Fee with respect to amounts invested in such Account. Management fees will not be duplicative of any Sub-Manager Fees (as defined in the IMA). The Average Net Asset Value will be based on the simple average of the beginning and ending net asset value during each determination period as determined by the Investment Manager in accordance with U.S. GAAP, consistently applied. The Management Fee will be calculated and payable quarterly and pro rata for any partial period.

(b) Services Fee

ManhattanLife will pay to the Investment Manager the actual cost of performing the asset management support services and portfolio management support services without a profit factor.

(c) Investment Level Fees and Expenses

ManhattanLife will bear its pro rata share of applicable investment-level fees and expenses (including carried interest and performance fees) in connection with the investment of Portfolio assets in or through a separately managed account, investment fund or other investment vehicle managed or developed by the Investment Manager or an affiliate of the Investment Manager; provided that any such fees will be at rates no less favorable than the fees charged with respect to comparably sized third-party investors, including, fees charged to comparably sized clients of the Investment Manager or its affiliates pursuing similar investment strategies. The Management Fee will not be duplicative of any management fee (excluding carried interest or any performance fee) charged at the level of any investment vehicle in which Portfolio assets are invested, to the extent such investment vehicle is managed by the Investment Manager or an affiliate of the Investment Manager.

Expenses

The Investment Manager will bear (a) its ordinary course overhead expenses (such as salaries and benefits, rent, office furniture, fixtures and computer equipment) and (b) legal fees and expenses related to the organization and registration of the transactions contemplated in the IMA.

ManhattanLife will bear Portfolio-related expenses, including, without limitation, (a) investment expenses (e.g., expenses that, in the Investment Manager's or its affiliates' discretion, are related to the investment of the Portfolio's assets, whether or not such investments are consummated); (b) certain compliance and reporting expenses (including Form PF), legal expenses, trade order management expenses; (c) accounting, audit, valuation, tax preparation and other tax-related expenses (including preparation costs of financial statements, tax returns and reports to ManhattanLife); (d) expenses relating to obtaining liability and fidelity insurance for directors and officers, the Investment Manager and their respective partners, members and employees; (e) taxes and government registration fees; (f) organizational expenses of the Portfolio; (g) printing and mailing costs; (h) the Management Fees and Services Fee (as defined in the IMA) and, without duplication, all fees and other compensation payable to any Sub-Manager; (i) all costs and expenses incurred in connection with the preparation of amendments to the IMA or other documentation of the Portfolio; (j) the termination, liquidation, winding up and dissolution of the Portfolio; (k) extraordinary expenses (including actual, threatened or otherwise anticipated litigation or other proceedings and

indemnification expenses); (l) costs and expenses of the preparation and distribution of reports to ManhattanLife; (m) compensation and benefits payable to the Chief Investment Officer and personnel of the Investment Manager hired to support the Chief Investment Officer; *provided* that the costs of compensation and benefits to such personnel will not be greater in any material respect than what would be paid to an unaffiliated third party with similar qualifications and experience for substantially similar services; provided, further, that any additional personnel hired by the Investment Manager will be reasonably and commercially necessary to support the function of the Chief Investment Officer commensurate with the services set forth in the IMA as determined by the Investment Manager; and (n) other expenses associated with the operation of the Portfolio, as determined by the Investment Manager in its sole discretion.

Without the prior written consent of ManhattanLife, the Portfolio will not bear any expenses that the Investment Manager considers a material new category of expenses other than the expenses explicitly described above.

Termination

Either party may terminate the IMA upon thirty (30) calendar days written notice. In addition, ManhattanLife may terminate the IMA in the event that the Investment Manager is performing its obligations under the IMA with gross negligence, willful misconduct or reckless disregard of any of such obligations.

Exculpation and Indemnification

The Investment Manager will indemnify ManhattanLife and any of its directors, members, stockholders, partners, officers, principals, employees or controlling persons (the "**IMA Indemnified Parties**") in respect of all Claims (as defined in the IMA) that they may suffer or incur as a result of the willful misconduct, fraud, bad faith, gross negligence, an intentional and material breach of the IMA or a material violation of applicable securities laws of the Investment Manager in providing services under the IMA to ManhattanLife.

The IMA Indemnified Parties will not be liable for any Claims as a result of the provision of the services pursuant to the IMA or any sub-advisory agreement, except for Claims arising from an IMA Indemnified Party's willful misconduct, fraud, bad faith, gross negligence, an intentional and material breach of the IMA or a material violation of applicable securities laws in the performance of its duties under the IMA.

ManhattanLife will indemnify the IMA Indemnified Parties in respect of all Claims that they may suffer or incur as a result of the provision of services pursuant to the IMA or any sub-advisory agreement, except for Claims arising from the willful misconduct, fraud, bad faith, gross negligence, an intentional and material breach of the IMA or a material violation of applicable securities laws of the Investment Manager or the Sub-Manager, as the case may be.

Conflicts of Interest

ManhattanLife agrees that the Investment Manager may refrain from rendering any Services (as defined in the IMA) concerning securities of companies of which any of the Investment Manager Parties (as defined in the IMA) are directors or officers, or companies as to which the Investment Manager Parties have any substantial economic interest or possesses material non-public information, unless the Investment Manager either determines in good faith that it may appropriately do so without disclosing such conflict to ManhattanLife or discloses such conflict to ManhattanLife prior to rendering such advice or services with respect to the Portfolio.

To the extent that the Investment Manager is permitted to engage one or more of its affiliates to perform the Services, the Investment Manager will procure that any fees, compensation or expenses chargeable to ManhattanLife are reasonable and not excessive in light of the cost of engaging a third party with similar qualifications to perform such services.

To the extent that the expenses attributable to the management of the Portfolio are also attributable to other clients of the Investment Manager or its affiliates, the Investment Manager will procure that such expenses are allocated in a manner that is fair and equitable to ManhattanLife and unless consented to by ManhattanLife, in no event will ManhattanLife be required to bear more than its pro rata share of such expenses.

To the extent that the Investment Manager or an affiliate engages in a cross trade involving the Portfolio, the Investment Manager will first determine that the trade is in the best interest of the Portfolio and ManhattanLife and take steps to ensure the transaction is consistent with the Investment Manager's policies and procedures and its duty to obtain best execution for the Portfolio and ManhattanLife. To the extent that the Investment Manager or an affiliate proposes to purchase a security from, or sell a security to, the Portfolio, this may be considered a principal trade. In such circumstances, the Investment Manager will comply with the disclosure requirements of Section 206(3) of the Advisers Act (as defined in the IMA) and obtain consent of the necessary parties, which will include the consent of the ManhattanLife.

Salem Partners Amended & Restated Limited Partnership Agreement

On October 9, 2024, the Company and Salem Group Partners GP, LLC (the "**General Partner**"), an affiliate of CC Capital Partners, LLC, entered into the amended and restated limited partnership agreement (the "**LPA**") of Salem Group Partners, LP (the "**Partnership**"). The summary of the material terms of the LPA below and elsewhere in this Information Circular is qualified in its entirety by reference to the LPA, a copy of which has been filed under the Company's profile on SEDAR+ at www.sedarplus.ca and is incorporated by reference in the Information Circular. This summary may not contain all of the information about the LPA that is important to you. We encourage you to read carefully the LPA in its entirety.

Purpose

The Partnership was formed, among other reasons, to afford the Company and other Partners (as defined in the LPA) the possibility of gains from equity appreciation and other income by means of the Partnership's ownership of Portfolio Investments (as defined in the LPA) in one or more insurance or insurance-related, annuities, reinsurance, corporate liability, distribution, asset & wealth management companies and/or related investments, including Salem Holdco (Bermuda) Ltd. (i.e., an entity established to indirectly acquire 100% of the equity and voting interests of ManhattanLife) ("**Salem Holdco**"), an affiliate of CC Capital that has entered into an agreement to acquire ManhattanLife.

Term

The term of the Partnership will be perpetual until the Partnership is dissolved pursuant to the Delaware Revised Uniform Limited Partnership Act, as amended from time to time or as set forth in the LPA. The existence of the Partnership as a separate legal entity will continue until cancellation of the Certificate (as defined in the LPA) in the manner required by such statute.

Capital Commitments

The Company's initial capital commitment to the Partnership is US$100 million, which will automatically increase by US$520 million to US$620 million on the Closing Date. Beginning at the end of the first calendar quarter during which the Common Stock Price Target Condition is satisfied and for each subsequent calendar quarter thereafter, the Company's capital commitment will automatically increase by the amount of free cash flow generated by the Company and its controlled affiliates during each subsequent calendar quarter. Until the Common Stock Price Target Condition is satisfied, on each quarter end date on which the AUM Threshold (as defined in the LPA) is satisfied, the Company's capital commitment will automatically increase by the amount of such free cash flow for such calendar quarter.

Capital Contributions

Each limited partner is required to make capital contributions to the Partnership in an aggregate amount up to its capital commitment pursuant to a drawdown notice delivered by the General Partner. The General Partner may not call more than US$100 million from the Company until the occurrence of the Closing Date. Prior to the Closing Date, the General Partner may only issue drawdown notices with respect to one or more prospective life insurance and annuity related Portfolio Investments in which CC Capital, its affiliates or one or more investment vehicles managed by CC Capital have made CC Matching Contributions (as defined in the LPA) equal to 40% of the amount to be

committed by the Partnership for any such Portfolio Investment; *provided* that at least 33% of the insurance assets under management related to insurance liabilities directly backed by CC Matching Contributions and contributions of the Company to any such Portfolio Investment prior to the Closing Date will be committed to be managed by one or more controlled affiliates of the Company.

Capital contributions may only be called and used to pay (a) the purchase price for the acquisition of ManhattanLife and for any other Portfolio Investment to be acquired imminently by the Partnership and (b) bona fide partnership expenses, including any transaction expenses to the extent not reimbursed by ManhattanLife, any other Portfolio Company or their respective subsidiaries.

No Partner is permitted to make any additional capital contributions to the Partnership without consent of the General Partner.

Default

If a limited partner fails to make all or any portion of its required capital contribution within ten (10) Business Days following delivery of a drawdown notice, the limited partner will be subject to customary default remedies.

Additional Limited Partners

Additional limited partners may be admitted to the Partnership, provided that if the proposed additional limited partner is not a controlled affiliate of the Company, the consent of a majority of the Company's independent directors (other than Investor nominees) will be required.

Conflicts of Interest

During the term of the Partnership, the General Partner and CC Capital are required to offer any investment opportunities related to life insurance and annuity assets exclusively to the Partnership. In making such offer (including in determining the amount of such opportunity to be offered to the Partnership), the General Partner is permitted to consider such factors such as available capital, available cash at hand, investment objective, diversification criteria, expected pipeline, whether the investment is a follow-on investment to an existing Portfolio Company, and legal, tax and regulatory considerations. The foregoing exclusivity does not preclude co-investment by third parties, the General Partner, CC Capital or any of their respective affiliates alongside investments made directly or indirectly by the Partnership.

The General Partner may have other business interests and may engage in other activities in addition to those relating to the Partnership. Except as otherwise provided above, each limited partner and the General Partner, have the right to take for its own account or to recommend to others, including affiliates of any Partner, any investment opportunity including investment opportunities that may be competitive with or involve the same line of business as that conducted by the Partnership. Each limited partner and the General Partner are under no obligation to present any such investment opportunities to the Partnership.

Without the consent of a majority of the Company's independent directors (other than Investor nominees), none of the General Partner, CC Capital or any of their respective affiliates may co-invest with its own money directly or indirectly in any of the Partnership's Portfolio Investments (as defined in the LPA) in excess of 19.9% of such Portfolio Investment. Any such co-investment must be on terms that are no more favorable than the terms applicable to such investment by the Partnership.

The Partnership may not invest in any person in which any of the Conflict Parties (as defined in the LPA) possess material non-public information, unless the General Partner discloses such conflict and a majority of the Company's independent directors (other than Investor nominees) consent to such investment.

Without the consent of a majority of the Company's independent directors (other than Investor nominees), no more than 10% of the investment assets of ManhattanLife or such other allocation percentage permitted for common or

preferred equity or equity-like investments by any other Portfolio Company (as defined in the LPA) may be managed directly by CC Capital.

Other conflict of interest transactions that would require the consent of the independent directors under the Investor Rights Agreement and are not expressly permitted under the LPA must be presented to the Company and consented to by a majority of the Company's independent directors (other than Investor nominees).

The General Partner agrees to operate the Partnership in good faith, taking into account the conflicts of interest principles generally applicable to its Portfolio Companies.

Fees and Expenses

Each limited partner will be responsible for its pro rata share of all costs, fees and expenses of the Partnership, including:

(a) transaction expenses;

(b) costs and expenses of maintaining (i) qualification to do business of the Partnership, (ii) the specified office at which records which are required to be maintained under applicable Law are kept and (iii) the registered office in the State of Delaware;

(c) the fees and expenses of third-party consultants, custodians, investment bankers, attorneys and accountants, the registered agent and other similar outside advisors incurred by the Partnership in connection with the acquisition of any Portfolio Investment and the administration of the Partnership;

(d) out of pocket expenses incurred in connection with the Partnership's acquisition and holding of any (i) Portfolio Investment or (ii) temporary investments (other than day-to-day expenses and overhead expenses of the General Partner), including recordkeeping expenses, finders', placement, brokerage and other similar fees;

(e) costs and expenses of reporting to, and tax preparation in respect of, the limited partners;

(f) any taxes, fees or other charges levied by any governmental authority against the Partnership or the Partnership's subsidiaries;

(g) upon independent director approval, all reasonable out of pocket costs of accounting services provided to the Partnership by any affiliate of the General Partner;

(h) all costs, fees and expenses of any judicial, administrative or arbitral actions, suits, proceedings (public or private) or governmental proceedings or investigations, and the amount of any judgments or settlements paid in connection therewith, indemnification payments permitted under the LPA and the costs of winding-up and liquidating the Partnership;

(i) the indemnification and exculpation obligations of the Partnership, including any expenses of any insurance policies obtained with respect to such indemnification obligations thereunder;

(j) the Partnership's pro rata share (based on its ownership of the applicable Portfolio Investment) of fees, expenses, indemnification obligations, purchase price adjustment obligations and similar obligations in connection with the sale of the applicable Portfolio Investment not paid out of the proceeds thereof; and

(k) the Partnership's pro rata share (based on its ownership of the applicable Portfolio Investment) of expenses incurred for the benefit of the Partnership.

The General Partner will bear (a) its normal overhead expenses (such as salaries and benefits, rent, office furniture, fixtures and computer equipment) and (b) legal fees and expenses related to the organization and registration of the General Partner. Partnership expenses will be payable, in the discretion of the General Partner (i) from capital contributions of the limited partners, (ii) from Partnership receipts and income and/or (iii) if necessary, in the discretion of the General Partner, from the sale or liquidation of Partnership assets and investments. No costs, fees or expenses incurred by any single limited partner as a result of its individual participation in the Partnership will be included in Partnership Expenses (as defined in the LPA) for the purposes of the LPA nor would such costs be payable by the Partnership.

The General Partner will not be entitled to receive or retain any management fee from the Partnership or any syndication, transaction, management, consulting, success, directors, topping, break-up, termination and/or similar fees incurred by any portfolio company, including any compensation received by the General Partner in connection with its management of ManhattanLife or any other portfolio company (including through a special limited partner, general partner or managing member of any such portfolio company). The General Partner may not receive any fees with respect to any future M&A or other strategic transactions, whether in cash or otherwise.

Distributions

(a) Distributions to Partners

All cash of the Partnership (other than capital contributions) and other property of the Partnership will be distributed to the partners at such time or times if, as, and when determined by the General Partner (except to the extent otherwise agreed between the General Partner and a majority of the Company's independent directors (excluding any Investor nominees), in order to fund the operations of the Company in the ordinary course of business and/or to pay for services provided by the Company on arms' length terms); provided that distributions of cash or other property of the Partnership may be made only in amounts which exceed any reserves that the General Partner from time to time determines are required or are reasonably appropriate to be retained to meet any accrued or foreseeable expenses, expenditures, liabilities, or other obligations of the Partnership. Any such distributions will be made to the limited partners pro rata based on relative ownership percentages.

The General Partner may in its reasonable discretion reserve an amount otherwise distributable to the limited partners for the payment of future partnership expenses and must disclose such reserved amounts in the periodic reports to the limited partners and upon a limited partner's written request.

The General Partner is permitted to reinvest otherwise distributable proceeds received by the Partnership into Portfolio Investments agreed to in writing by the General Partner and the investment committee of the Company.

(b) Cash-out Distributions

The General Partner may make, at any time and with the consent of a majority of the Company's independent directors (excluding any Investor nominees), a distribution to a limited partner of all or any portion of such limited partner's pro rata share of one or more Portfolio Companies (as defined in the LPA) in exchange for such limited partner's interest in the Partnership. Furthermore, the General Partner may, at any time, elect to liquidate the partnership and thereafter distribute interest in the Portfolio Companies to the Partners in accordance with the LPA.

Board Observer Seat and Information Rights

For so long as the Company holds an interest in the Partnership and is not a Defaulting Limited Partner (as defined in the LPA), the Company will have the non-assignable right to appoint one non-voting observer to attend all meetings of the board of managers of Salem Holdco, subject to certain exceptions including preserving attorney-client, work product or other legal privilege or complying with the terms of any confidentiality agreement.

Exculpation and Indemnity

None of the General Partner, CC Capital, any affiliate of the General Partner or CC Capital, or any officer, director, employee, agent, member, shareholder, or partner of the General Partner, CC Capital or any of their affiliates will be liable to the Partnership for losses arising from acts or omissions in connection with the operation of the Partnership, except to the extent such act or omission is determined by a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct, bad faith, intentional and material breach of the LPA, material violation of any applicable securities laws or actual fraud of, the covered person claiming exculpation, or with respect to any criminal action or proceeding where such covered person had reasonable cause to believe that such covered person conduct was unlawful.

The Partnership is obligated to indemnify any covered person (as set out in the LPA) for any claim, loss, damage, liability, or expense (including reasonable attorneys' fees, court costs, and costs of investigation and appeal) suffered or incurred by such covered person by reason of its acts or omissions in connection with the operation of the Partnership, except to the extent such act or omission (a) is determined by a court of competent jurisdiction to have been primarily caused by the gross negligence, willful misconduct, bad faith, intentional and material breach of the LPA, material violation of any applicable securities laws or actual fraud of, the covered person claiming indemnification or (b) such covered person had reasonable cause to believe that such covered person's conduct was unlawful. Actions, suits and/or proceedings by and among the General Partner, CC Capital and/or affiliates are not covered under the LPA.

Transfer of Partners' Interests

No partner may (directly or indirectly) transfer all or any portion of such partner's interest (including through the grant of participation interests) in the Partnership without the prior written consent of the General Partner (which consent may be given or withheld in its sole discretion). Any transfer that violates the terms of the LPA will be void and the purported transferee will have no interest in or rights to Partnership assets, profits, losses or distributions and neither the General Partner nor the Partnership will be required to recognize any such interest or rights.

Transfer of the General Partners' Interest

Without the prior written approval of limited partners representing two-thirds of all partnership interests then outstanding, the General Partner may not resign or withdraw as general partner of the Partnership or assign its general partner interest in the Partnership other than to an affiliate thereof. The consent of the Company may only be given by a majority of the Company's independent directors (other than any Investor nominees).

Removal of the General Partner

The General Partner may be removed at any time upon receipt by the General Partner of written notice of removal from at least 75% of all limited partners. The consent of the Company in connection with the exercise of the General Partner removal right requires (a) approval of a majority of the Company's independent directors (other than any Investor nominee) and (b) unanimous approval of the Company's directors who were Investor nominees. The effective date of any such removal will not be earlier than 90 days after the date of notice to the General Partner of such removal. Following delivery of such notice, without the consent of a majority in interest of the limited partners, the General Partner will not cause the Partnership to engage in any further business other than that which is permitted in its wind-up period.

Upon the General Partner becoming aware of the occurrence of an event constituting Cause (as defined below), the General Partner will notify the limited partners of such occurrence as soon as reasonably practicable thereafter, and within one hundred 180 days of the date of such notice, a majority in interest of the limited partners may vote to require the removal of the General Partner from the Partnership and the substitution of another person as general partner of the Partnership in lieu thereof (which successor general partner will be approved by a majority in interest of the limited partners), which will result in the cancellation of the obligation and the right of the partners to make capital contributions for Portfolio Investments. The effective date of any such removal will not be earlier than 90 days after the date of notice to the General Partner of such removal. Following delivery of such notice, without the consent

of a majority in interest of the limited partners, the General Partner will not make new Portfolio Investments. The consent of the Company under this paragraph may only be given by a majority of the Company's independent directors (excluding any Investor nominees).

Until October 9, 2029, upon the General Partner undergoing a Change of Control (as defined below), the General Partner is required to notify the limited partners of such occurrence as soon as reasonably practicable thereafter, and within 30 days of the date of such notice, a majority in interest of the limited partners may vote to require the removal of the General Partner from the Partnership and the substitution of another person as general partner of the Partnership in lieu thereof (which successor general partner will be approved by a majority in interest of the limited partners), which will result in the cancellation of the obligation and the right of the partners to make capital contributions for Portfolio Investments. The effective date of any such removal will not be earlier than 90 days after the date of notice to the General Partner of such removal. Following delivery of such notice, without the consent of a majority in interest of the limited partners, the General Partner will not make new Portfolio Investments. The consent of the Company under this paragraph may only be given by a majority of the Company's independent directors (excluding any Investor nominees).

Side Letters; Most Favored Nation

In addition to the LPA, the General Partner, in its own name or on behalf of the Partnership, may enter into side letters or other written agreements to or with any limited partner, without the consent of any other person, including any other limited partner, executed contemporaneously with the admission of such limited partner to the Partnership, affecting the terms of the LPA, to meet certain requirements of such limited partner. The terms of any such side letter or other agreement to or with a limited partner will govern with respect to such limited partner. In the event that the Partnership invests, directly or indirectly, in any Portfolio Company alongside any other vehicles or accounts advised or managed by CC Capital or its affiliates, the General Partner agrees to make commercially reasonable efforts to procure that the Partnership will participate in such investment on terms that are no less favorable to the Partnership than the terms granted to any such other vehicle or account (excluding strategic and other similar investors, as determined by the General Partner in its sole discretion) with an investment amount that is equal to or lower than the investment amount of the Partnership in such Portfolio Company.

Amendments

The General Partner may, without the consent or vote of any limited partner amend or waive any provision of the LPA in a manner which (a) merely reflects the transfer of an interest in the Partnership or the admission or withdrawal of one or more new or substituted limited partners or General Partners in accordance with this Agreement, (b) does not adversely affect the limited partners or constitutes the General Partner surrendering one of its rights, (c) changes Schedule I to the LPA to reflect the names, addresses, capital contributions and ownership percentages of the Partners as from time to time amended in accordance with the LPA or (d) enables the Partnership to avoid violating any law which (in the absence of such amendment or waiver) would have, or would reasonably be expected to have, a material adverse effect on the Partnership or any of its subsidiaries, or any of their respective operations, business, or affairs; *provided, however,* that any amendment that materially and adversely affects any limited partner in a manner materially disproportionate to how it affects the other limited partners will not be effective without prior written consent of such limited partner.

The General Partner may amend the LPA with the consent of the majority of limited partners; *provided*, however, that any amendment that would materially and adversely affect a limited partner or certain limited partners in a manner that is materially disproportionate to the majority of limited partners may not be made without the consent of such limited partner or limited partners. The General Partner shall, to this end, provide a written notice to the relevant limited partner or limited partners as far in advance as reasonably practicable under the circumstances.

No amendment to or waiver of any provision of the LPA shall be effective against a given Partner without the consent or vote of such Partner if such amendment or waiver would (a) cause the partnership to fail to be treated as a limited partnership under the applicable Law or cause a limited partner to become liable as a general partner of the Partnership, (b) change the distribution and allocations provisions in the LPA, (c) increase the liability of such Partner beyond that set forth in the LPA or (d) change the percentage of Partners necessary for any consent or vote required to take any action specified in Article VIII of the LPA.

Sub-Advisory Agreement

Subject to and upon the acquisition of Salem Partners' acquisition of ManhattanLife, the Investment Manager and Arena Investors, LP, a Delaware limited partnership (the "**Sub-Adviser**") intend to enter into a sub-advisory agreement (the form of which is attached as Exhibit M to the Investment Agreement) (the "**Sub-Advisory Agreement**").

Appointment of the Sub-Adviser

Pursuant to the IMA, the Investment Manager will furnish investment management and advisory services to ManhattanLife. The IMA contemplates that the Investment Manager may sub-contract the provision of investment management services to a sub-manager, subject to ManhattanLife's prior approval. Upon the execution of the Sub-Advisory Agreement, the Investment Manager will appoint the Sub-Adviser as investment manager of assets of the Portfolio designated by the Investment Manager for the Sub-Account (as defined in the Sub-Advisory Agreement) with discretionary authority to manage the investment and reinvestment of the funds and assets of the Sub-Account.

Authority of the Sub-Advisor – Investment Management Services

The Sub-Adviser will be responsible for the investment and reinvestment of the funds and assets of the Portfolio designated by the Investment Manager for the Sub-Account, and may engage in all such acts on behalf of ManhattanLife as the Sub-Adviser may deem necessary or advisable in connection with providing such services.

Managed Assets

The Investment Manager will designate for management through the Sub-Account the managed assets of ManhattanLife, which will include all investable assets of ManhattanLife as determined by the Investment Manager, except for (a) any portion reserved by the Investment Manager in its sole discretion (but subject to the terms of the IMA) for investment in common or preferred equity or equity-like investments (including, but not limited to, private equity investments, structured product equity tranches and commercial real estate equity investments) and (b) any portion reserved by the Investment Manager in its sole discretion for management by one or more other asset managers, which portion cannot in the aggregate exceed 15% of the aggregate value of ManhattanLife's investable assets. The Investment Manager is required to allocate, in the aggregate, no less than 75% of the aggregate value of ManhattanLife's investable assets to be managed by the Sub-Adviser.

The Investment Manager may increase or decrease the scope of the managed assets from time to time with the prior written consent of the Sub-Adviser.

Investment Guidelines; Investment Activities of the Sub-Adviser

The Sub-Adviser must manage the Sub-Account in accordance with the Investment Guidelines (as defined in the Sub-Advisory Agreement). The management of the Portfolio will at all times remain under the oversight of the Investment Manager. The Investment Manager and the Sub-Adviser will meet on a regular basis to review and discuss the Investment Guidelines (including any proposed changes thereto) and the Sub-Account. At least annually the Sub-Manager will support the Investment Manager in its accurate and comprehensive review of the Investment Guidelines, the Sub-Account and the Sub-Adviser's implementation of the Investment Guidelines.

Withdrawal

Solely in connection with ManhattanLife's need to obtain liquidity to support operations and/or as may be required by applicable Law, the Investment Manager will notify the Sub-Adviser in writing of ManhattanLife's desired effective date for the withdrawal of any amounts from the Sub-Account as soon as reasonably practicable. The Sub-Adviser is obligated to use its commercially reasonable efforts to satisfy the withdrawal request with cash proceeds from the liquidation of a portion of the Portfolio held in the applicable Sub-Account that the Investment Manager and the Sub-Adviser determine, in their reasonable discretion, should be liquidated for purposes of effectuating the request, within a reasonable period of time and in an orderly fashion, and net of reserves and/or holdbacks for estimated accrued

expenses, liabilities or contingencies in respect of the Sub-Account (including Management Fees and other expenses), as determined in the reasonable discretion of the Investment Manager and the Sub-Adviser.

Fees

Each Sub-Account is obligated to pay to the Sub-Adviser as compensation for services rendered by the Sub-Adviser under the Sub-Advisory Agreement a management fee (such fee, a "**Sub-Advisory Management Fee**") based on a percentage of the average net asset value of each asset class in the Sub-Account ("**Sub-Account Average Net Asset Value**"), which may be adjusted by the mutual consent of the Investment Manager and the Sub-Adviser, except that the Sub-Adviser's consent will not be required for any adjustment for purpose of ensuring that the fee rates in the IMA and the Sub-Advisory Agreement are the same. Each Sub-Account will only be charged a Sub-Advisory Management Fee with respect to amounts invested in such Sub-Account. The Sub-Account Average Net Asset Value will be based on the simple average of the beginning and ending net asset value during each determination period as determined by the Sub-Adviser in accordance with U.S. GAAP (as defined in the Sub-Advisory Agreement), consistently applied. The Sub-Advisor Management Fee will be calculated and payable quarterly and pro rata for any partial period.

Without the prior consent of the Investment Manager, the Sub-Adviser will not invest assets of the Portfolio in investment funds, pooled investment vehicles, separately managed accounts or structured products to the extent such investment would cause the Portfolio to incur additional fees and compensation obligations (including performance fees and carried interest) in addition to the fees charged under the Sub-Advisory Agreement.

Expenses

Each of the Investment Manager and the Sub-Adviser will bear its own expenses in connection with Sub-Advisory Agreement.

ManhattanLife will bear reasonable and documents Portfolio-related expenses, including: (a) investment expenses (e.g., expenses that, in the Sub-Adviser's reasonable discretion, are directly related to the investment of the Portfolio's assets;) (b) certain compliance and reporting expenses, legal expenses, trade order management expenses; (c) accounting, audit, valuation, tax preparation and other tax-related expenses (including preparation costs of financial statements, tax returns and reports to ManhattanLife); (d) taxes and government registration fees; (e) organizational expenses of the Sub-Account; (f) the Sub-Advisory Management Fees; (g) all costs and expenses incurred in connection with the preparation of amendments to the Sub-Advisory Agreement or other documentation of the Sub-Account; (h) the termination, liquidation, winding up and dissolution of the Sub-Account; (i) extraordinary expenses (including actual, threatened or otherwise anticipated litigation or other proceedings and permitted indemnification expenses); (j) costs and expenses of the preparation and distribution of reports to ManhattanLife; and (k) other expenses directly associated with the operation of the Sub-Account, as determined by the Sub-Adviser in its reasonable discretion.

Exculpation and Indemnification

The Sub-Adviser agrees to indemnify ManhattanLife and any of its directors, members, stockholders, partners, officers, principals, employees or controlling persons and the Investment Manager and any of its directors, members, stockholders, partners, officers, principals, employees or controlling persons in respect of all Claims (as defined in the Sub-Advisory Agreement) that they may suffer or incur as a result of the willful misconduct, fraud, bad faith, gross negligence, an intentional and material breach of the Sub-Advisory Agreement or a material violation of applicable securities laws of the Investment Manager.

The Sub-Adviser and any of its directors, members, shareholders, partners, officers, principals employees or controlling persons will not be liable for any Claims as a result of the provision of the services pursuant to the Sub-Advisory Agreement, except for Claims arising from any such person's willful misconduct, fraud, bad faith, gross negligence, an intentional and material breach of the Sub-Advisory Agreement or a material violation of applicable securities laws in the performance of its duties under the Sub-Advisory agreement.

The Investment Manager agrees to indemnify the Sub-Adviser Parties (as defined in the Sub-Advisory Agreement) in respect of all Claims that they may suffer or incur as a result of the provision of services pursuant to the Sub-Advisory Agreement except for Claims arising from the willful misconduct, fraud, bad faith, gross negligence, an intentional and material breach of the Sub-Advisory Agreement or a material violation of applicable securities laws of the Sub-Adviser.

Conflicts of Interest

The Investment Manager agrees that the Sub-Adviser may refrain from rendering any Services concerning securities of companies of which any of the Sub-Adviser Parties are directors or officers, or companies as to which the Sub-Adviser Parties have any substantial economic interest or possesses material non-public information, unless the Sub-Adviser either determines in good faith that it may appropriately do so without disclosing such conflict to ManhattanLife or discloses such conflict to ManhattanLife prior to rendering such advice or services with respect to the Sub-Account.

To the extent the Sub-Adviser is permitted to engage one or more of its affiliates to perform services for the Sub-Account, the Sub-Adviser agrees to procure that any fees, compensation or expenses chargeable to the Sub-Account are reasonable and not excessive in light of the cost of engaging a third party with similar qualifications to perform such services.

To the extent the expenses attributable to the management of the Sub-Account are also attributable to other clients of the Sub-Adviser or its affiliates, the Sub-Adviser agrees to procure that such expenses are allocated in a manner that is fair and equitable to the Sub-Account and unless consented to by the Investment Manager, in no event will the Sub-Account be required to bear more than its pro rata share of such expenses.

To the extent the Sub-Adviser or an affiliate engages in a cross trade involving the Sub-Account, the Sub-Adviser will first determine that the trade is in the best interest of the Sub-Account and ManhattanLife and take steps to ensure the transaction is consistent with the Sub-Adviser's policies and procedures and its duty to obtain best execution for the Sub-Account and ManhattanLife. To the extent the Sub-Adviser proposes to purchase a security from, or sell a security to, the Sub-Account, this may be considered a principal trade. In such circumstances, the Sub-Adviser agrees to comply with the disclosure requirements of Section 206(3) of the Advisers Act and obtain consent of the necessary parties, which will include the consent of ManhattanLife.

Termination

The term of the Sub-Advisory Agreement will commence on the execution date of the Sub-Advisory Agreement, and will (a) initially end on the fifth anniversary of such date (the "**Initial Term**") and thereafter (b) automatically renew on each anniversary of the end of the Initial Term for an additional 12 month period unless terminated for adverse performance, as described below.

Termination for Adverse Performance:

If the Investment Manager, in their sole discretion and acting reasonably and in good faith, determines that a performance issue or a fee issue has occurred and is continuing, it may elect to terminate the Sub-Advisory Agreement on the last day of the Initial Term and each anniversary of such date:

(a) *Performance Issue*: unsatisfactory long-term performance by the Sub-Adviser based on underperformance according to the either the Sub-Account-wide or asset class-specific benchmarks set forth in the Sub-Advisory Agreement;

(b) *Fee Issue*: the fees charged by the Sub-Adviser are unfair and excessive compared to those that would be charged by a comparable asset manager.

No termination may be effective on a date earlier than 12 months following the termination election date. The Investment Manager must provide a valid termination notice to the Sub-Adviser at least 30 days prior to the applicable

termination election date. The Sub-Adviser will cooperate to address the Investment Manager's concerns, and if the performance and/or fee issue is addressed, the termination notice will be rescinded. Such concerns will be deemed to have been addressed if (a) in the case of a performance issue, the Sub-Adviser completes steps reasonably designed to remedy the performance issue and (b) in the case of a fee issue, the Sub-Adviser adjusts its fees so that they are no longer unfair or excessive in relation to the fees charged by a comparable asset manager, and the Investment Manager acting in good faith determines such concerns have been addressed.

If a performance issue is based on asset class-specific benchmarks rather than Sub-Account-wide benchmarks, the Investment Manager will only be permitted to terminate the Sub-Adviser's mandate with respect to the underperforming asset classes, and not the Sub-Advisory Agreement as a whole.

Other Termination Rights

The Investment Manager may also elect to terminate the Sub-Advisory Agreement if:

(a) the Sub-Adviser is no longer able to carry on its investment advisory business as a going concern under the Advisers Act;

(b) the Sub-Adviser is unable to manage the Portfolio in all material respects as provided for in the Sub-Advisory Agreement;

(c) the Sub-Adviser is performing its obligations with gross negligence, willful misconduct or reckless disregard of any of such obligations;

(d) there is a change of control of the Sub-Adviser; or

(e) the Investment Manager has determined that the Sub-Adviser or an affiliate thereof is required to make or otherwise makes an affirmative disclosure under Item 11 of Form ADV Part 1A and the Investment Manager reasonably believes that such affirmative disclosure or the underlying matter that is disclosed is reasonably expected to have a material and adverse effect on the Portfolio, the Sub-Account, the business or reputation of the Sub-Adviser or the business or reputation of the Company.

Sub-Adviser Termination Rights

The Sub-Adviser may terminate the Sub-Advisory Agreement effective on each termination election date upon one hundred and eighty (180) calendar days prior written notice.

Termination of the IMA

The Sub-Advisory Agreement will immediately terminate upon the termination of the IMA; *provided*, that if, but for such termination, the Sub-Advisory Agreement would otherwise remain in effect, ManhattanLife and the Sub-Adviser will, and the Investment Manager will use commercially reasonable efforts to the extent practical in light of the circumstances to, cause ManhattanLife to, revise the Sub-Advisory Agreement so that it is structured as a direct advisory agreement between ManhattanLife and the Sub-Adviser.

Voting and Support Agreements

Certain Shareholders collectively holding approximately 40% of the issued and outstanding Common Shares, including each of the Company's directors and members of its senior management, have entered into Voting and Support Agreements pursuant to which they have agreed to be represented in person or by proxy at the Meeting and to vote (or delivery a proxy or proxies to vote) all Common Shares held by them at the Meeting in favour of the transactions contemplated by the Investment Agreement, including, without limitation, the Approval Resolutions and/or any other matter for which the approval of the Shareholders is sought in connection with the transactions contemplated by the Investment Agreement and covenant that they will not: (a) take, or permit any person to take on

its behalf, any action to withdraw, revoke, amend or invalidate any proxy (or proxies) or voting instruction form (or voting instruction forms), as applicable, delivered to or deposited with the Company or the intermediary, as applicable, pursuant to such Voting and Support Agreement, notwithstanding any statutory or other rights or otherwise; (b) exercise any rights of dissent or appraisal provided under any laws or otherwise in connection with the transactions contemplated by the Investment Agreement and not exercise any shareholder rights or remedies available at common law or pursuant to securities or corporate laws to delay or prevent the transactions contemplated by the Investment Agreement; or (c) make any statements against the Transactions, or any aspect thereof and to not bring, or threaten to bring, any suits, actions or proceedings for the purpose of, or which has, or may reasonably be expected to have, the effect of, (x) resulting in any of the conditions to the obligations set forth in the Investment Agreement not being satisfied, and/or (y) directly or indirectly frustrating, stopping, preventing, impeding, delaying or varying the Transactions.

Such Shareholders, including such directors and members of senior management, have covenanted not to (a) solicit proxies, or become a participant in a solicitation of proxies, in opposition to, or competition with, the Transactions, including, without limitation, the Approval Resolutions, and/or any other matter for which the approval of the Shareholders is sought in connection with the Transactions; (b) requisition or join in the requisition of any meeting of the Shareholders (or an adjournment or postponement thereof) for the purpose of considering any resolution in respect of any matter that would be in opposition to, or competition with, the Transactions; (c) directly or indirectly, option, sell, transfer, grant a lien on, gift, dispose of or otherwise convey or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the securities subject to the Voting and Support Agreement, or any right or interest therein, to any person or group or agree or announce its intention to do any of the foregoing; provided that such holder may convert, exchange or exercise any convertible securities into Common Shares in accordance with their terms and authorize the Company to (i) withhold Common Shares that may otherwise be due to such holder pursuant to the conversion, exchange or exercise of the securities subject to the Voting and Support Agreement; and (ii) sell any such Common Shares to fund employee withholding taxes which must be remitted by the Company with respect to the exercise or settlement of any securities subject to the Voting and Support Agreement; (d) grant, agree to grant or announce its intention to grant, any proxy, power of attorney or other right to vote the securities subject to the Voting and Support Agreement (including, for greater certainty, entering into, agreeing to enter or announcing an intention to enter into any voting agreement or voting trust arrangement), except for proxies or voting instructions to vote, or cause to be voted, the securities subject to the Voting and Support Agreement in accordance with the Voting and Support Agreement or enter into any agreement affecting or restricting the ability of such holder to exercise all voting rights attaching to the securities subject to the Voting and Support Agreement; (e) publicly withdraw support from the Transactions; or (f) take any other action of any kind which may reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the Transactions.

The Voting and Support Agreements automatically terminate upon the earlier of Closing and the date on which the Investment Agreement terminates or is terminated in accordance with its terms.

Plan of Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, attached as Appendix "G" to this Information Circular.

The Arrangement involves a number of steps, which will be deemed to occur sequentially in the order set out below commencing at the Effective Time without any further authorization, act or formality unless stated otherwise. In particular, subject to certain provisions of the Plan of Arrangement:

(a) the Common Shares held by Dissenting Shareholders shall be deemed to have been transferred to the Company (free and clear of any and all Liens) and shall be immediately cancelled and cease to be outstanding, and such Dissenting Shareholders shall cease to have any rights as Shareholders other than the right to be paid by the Company the fair value of their Common Shares in accordance with Article 3 of the Plan of Arrangement;

(b) notwithstanding the terms of the Company LTIP and any notice, instrument or agreement evidencing the grant of such RSU:

(i) each RSU outstanding immediately prior to the Effective Time that has not yet vested in accordance with its terms shall be accelerated so that such RSU is fully vested;

(ii) each RSU outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the RSU Holder, be deemed to be surrendered and transferred by such RSU Holder, free and clear of any and all Liens, to the Company in exchange for a cash payment for such RSU equal to the Company Share Value, less applicable tax withholdings, and (A) each such RSU shall immediately be cancelled and such RSU Holder shall cease to be the holder thereof and to have any rights as the holder of such RSU, other than the right to receive the consideration (if any) to which such RSU Holder is entitled pursuant to this subsection (b), (B) such RSU Holder's name shall be removed from the register of RSUs maintained by or on behalf of the Company as the holder of such RSU, and (C) all notices, instruments and agreements evidencing the grant of such RSU shall be terminated and shall be of no further force and effect;

(c) the number of issued and outstanding Common Shares will be changed via the Share Consolidation of the issued and outstanding Common Shares on the basis of one (1) post-Share Consolidation Common Share for every six (6) outstanding pre-consolidation Common Shares, provided that:

(i) in the event that the change in the number of the issued and outstanding Common Shares would result in any Shareholder of record holding fewer than one (1) whole Common Share after giving effect to the Share Consolidation, such Shareholder of record shall receive a cash payment of C$4.75 for each pre-consolidation Common Share held by such Shareholder in lieu of any post-Share Consolidation Common Shares, up to a maximum cash payment of C$23.75 per Shareholder; and

(ii) in the event that any Shareholder holds greater than one (1) whole Common Share after giving effect to the Share Consolidation, any fractional Common Shares held by such Shareholder after giving effect to the Share Consolidation will, (A) if equal to or greater than one-half of one whole post-Share Consolidation Common Share, be rounded up to the nearest whole Common Share; and (B) if less than one-half of one whole post- Share Consolidation Common Share, be rounded down to the nearest whole Common Share; and

(d) the Redomiciliation shall be effective and Company shall continue under the DGCL in accordance with the following:

(i) the name of Westaim Delaware shall be "The Westaim Corporation";

(ii) there shall be filed with the Secretary of State of the State of Delaware a certificate of domestication and a certificate of incorporation of Westaim Delaware in the form set forth in Exhibit A to the Plan of Arrangement;

(iii) the by-laws of Westaim Delaware shall be in the form set forth in Exhibit B to the Plan of Arrangement;

(iv) the authorized capital of Westaim Delaware shall consist of 160,000,000 Westaim Delaware Shares and 100,000,000 shares of preferred stock, par value US$0.001 per share, as set forth in the certificate of incorporation of Westaim Delaware referred to in clause (ii) above;

(v) each issued and outstanding Common Share (for greater certainty, other than those Common Shares (if any) previously transferred to the Company by Dissenting Shareholders pursuant to (a) above and immediately cancelled by the Company) shall be exchanged for one (1) fully paid and non-assessable Westaim Delaware Share;

(vi) the property of the Company shall continue to be the property of Westaim Delaware;

(vii) Westaim Delaware shall continue to be liable for the obligations of the Company;

(viii) any existing cause of action, claim or liability to prosecution in respect of the Company shall be unaffected;

(ix) any civil, criminal or administrative action or proceeding pending by or against the Company may be continued to be prosecuted by or against Westaim Delaware; and

(x) any conviction against, or ruling, order or judgement in favour of or against the Company may be enforced by or against Westaim Delaware; and

Westaim Delaware shall, as soon as practicable and in any event within five business days following the later of the Effective Date and the date of deposit by a former holder of Common Shares of a duly executed and completed Letter of Transmittal and the certificates formerly representing such Common Shares, either:

(a) forward or cause to be forwarded by first class mail (postage prepaid) to such former holder at the address specified in the Letter of Transmittal; or

(b) if requested by such former holder in the Letter of Transmittal, make available or cause to be made available at the Transfer Agent for pickup by such former holder

either (a) the cash payment to which the holder thereof is entitled under the Plan of Arrangement (to the extent such holder will hold less than one whole Common Share after giving effect to the Share Consolidation) or (b) certificates or direct registration statements representing the number of Westaim Delaware Shares to be received by such former holder of Common Shares under the Plan of Arrangement (to the extent such holder will hold one or more whole Common Shares after giving effect to the Share Consolidation).

New Equity Incentive Plan

Background

On or around January 9, 2013 (the "**TSXV Listing Date**"), the date on which the Common Shares commenced trading on the TSXV, the Company amended its previously adopted long-term incentive plan to comply with the policies of the TSXV which, among other things, limited the share-based compensation arrangements of its listed issuers to Options and DSUs. Following the TSXV Listing Date, the TSXV began to permit issuers to provide a broader range of share-based compensation awards, subject to certain conditions, including that Options be granted under a plan separate and apart from the plan governing the other share-based awards. In light of the foregoing, the Company LTIP was approved by the Board on May 14, 2014, and by the Shareholders at the annual and special meeting of shareholders in 2014. The Company LTIP was further amended and restated, and approved by the Board on March 30, 2016 and subsequently approved by the Shareholders at the next annual and special meeting. On April 13, 2022, the Board further amended and restated the Company LTIP to: (a) comply with amendments made by the TSXV on November 24, 2021 to Policy 4.4 of the TSXV Corporate Finance Manual – *Security Based Compensation*; and (b) consider potential issuer bids or redemptions of Common Shares in accordance with applicable Law. On March 29, 2023, the Board further amended and restated the Company LTIP to align such plan with certain tax and employment requirements.

On November 15, 2024, the Board approved the New Equity Incentive Plan.

Purpose of the New Equity Incentive Plan

In addition to streamlining the administration of the Company's prior security based compensation plans, the purpose of the New Equity Incentive Plan is to advance the interests of the Company and its affiliates by: (a) attracting, rewarding and retaining highly competent persons as directors, officers, employees, consultants and management of

the Company; (b) providing additional incentives to such persons by aligning their interests with those of the Shareholders; and (c) promoting the success of the Company's business.

Administration of the New Equity Incentive Plan

The New Equity Incentive Plan is administered by the Board which has the power, subject to the specific provisions of the New Equity Incentive Plan, to, among other things: (a) establish policies, rules and regulations for carrying out the purposes, provisions and administration of the New Equity Incentive Plan; (b) interpret, construe and determine all questions arising out of the New Equity Incentive Plan and any Award; (c) determine those persons considered Eligible Persons; (d) determine the number of Awards to be granted; (e) determine the exercise criteria, price at which Common Shares may be purchased under an Option (the "**Option Price"**) of an Option or a SAR (provided it not be less than the last closing price of the Common Shares on the TSXV on the last trading date immediately preceding the relevant date ("**Market Price**")), time when Awards will be granted and exercisable or redeemable and whether the Common Shares that are subject to an Award will be subject to any restrictions upon the exercise or redemption thereof; (f) prescribe the form of the instruments or award agreements relating to the grant, exercise, redemption and other term of Awards; (g) correct any defect or omission, or reconcile any inconsistency in the New Equity Incentive Plan and any award agreement; (h) authorize withholding arrangements; and (i) take all other actions necessary or advisable for administering the New Equity Incentive Plan. The Board may, from time to time, delegate the administration of all or any part of the New Equity Incentive Plan to a committee of the Board and shall determine the scope of and may revoke or amend such delegation.

Eligible Persons

The New Equity Incentive Plan authorizes the Board (or a committee of the Board if so authorized by the Board) to grant Awards to Eligible Persons. Eligible Persons who have received Awards are referred to herein as "**Participants**".

Description of Awards

Pursuant to the New Equity Incentive Plan, the Company is authorized to issue Awards to Eligible Persons, which may be settled in shares issued from treasury, or in cash. The New Equity Incentive Plan also gives the Board discretion to make other equity incentive awards, subject to the approval of the TSXV. Subject to the policies of the TSXV, all Awards, other than Options, granted under the New Equity Incentive Plan and settled by the issuance of Common Shares shall not vest before the date that is one year from the date of grant.

(a) SARs

A SAR is a right to receive a cash payment equal to the difference between the Option Price and the Market Price of a Common Share on the date of exercise (the "**SAR Amount**"). A SAR may be granted in relation to an Option or on a stand-alone basis. SARs granted in relation to an Option shall be exercisable only at the same time, by the same persons and to the same extent, that the related Option is exercisable. SARs granted on a stand-alone basis shall be granted on such terms as shall be determined by the Board and set out in the Award agreement, provided that the Option Price shall not be less than the Market Price of the Common Shares on the date of grant. SARs may be settled in cash or (at the election of the Company) Common Shares with an aggregate Market Price equal to the SAR Amount.

(b) RSUs

An RSU is a right to receive a Common Share issued from treasury or, if the Award agreement so provides, the Participant may elect to have some or all of such person's RSUs settled by a cash payment equal to the Market Price of a Common Share, redeemable after the passage of time, the achievement of performance targets or both. RSUs shall be granted on terms determined by the Board based on its assessment, for each Participant, of the current and potential contribution of such person to the success of the Company. The Board shall determine the effective date of the grant and the number of RSUs granted. The Board shall also determine the applicable term, the vesting terms and the exercise criteria of each RSU.

(c) DSUs

A DSU is a right, generally redeemable only after the Participant has ceased to hold all positions with the Company or has otherwise ceased to be an Eligible Person, to a cash payment equal to the Market Price of a Common Share on the settlement date or, if applicable, to one fully paid and non-assessable Common Share issued from treasury. Except in exceptional circumstances, Participants have no right or ability to exercise, receive or otherwise demand payment of the value of DSUs granted to them prior to ceasing to hold all positions with the Company or to otherwise cease to be an Eligible Person.

(d) Options

Subject to an Option holder completing a "cashless exercise", "net exercise" or an option surrender, each Option entitles the holder thereof with the right to purchase a Common Share for a fixed exercise price. Options shall be for a fixed term and exercisable from time to time as determined in the discretion of the Board, provided that no Option shall have a term exceeding ten years.

The number of Common Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board. If no specific determination is made by the Board, the term of the Option shall be ten years, the Option Price shall be the Market Price of the Common Shares on the date of the grant and the Options shall vest of the anniversary of their date of grant in equal installments over a five year period.

The Option Price shall in no circumstances be lower than the greater of: (a) the price permitted by the TSXV; (b) the price permitted by any other regulatory body having jurisdiction; and (c) the Market Price.

Subject to the policies of the TSXV and receipt of the consent of the Company, an Option holder may choose to undertake a "cashless exercise" with the assistance of a broker in order to facilitate the exercise of such Option holder's Options. The cashless exercise procedure may include a sale of such number of Common Shares as is necessary to raise an amount equal to the aggregate Option Price for all Options being exercised by that Option holder under a notice to exercise (an "**Exercise Notice**") and any applicable tax withholdings subject to the Company Stock Option Plan.

Pursuant to the Exercise Notice, the Option holder may authorize the broker to sell Common Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Company to satisfy the Option Price and any applicable tax withholdings, promptly following which the Company shall issue the Common Shares underlying the number of Options as provided for in the Exercise Notice.

Subject to any policies of the TSXV and the receipt of the consent of the Company, an Option holder (other than a person retained to primarily provide investor relation services) may also complete a "net exercise" with a properly completed notice of net exercise, in a form approved by the Board from time to time, and elect to receive that number of Common Shares calculated using the following formula:

A = (B * (C - D))/C, whereby:

A = the number of Common Shares to be issued to the Option holder upon exercising such Options, provided that if the foregoing calculation results in a negative number, then no Common Shares shall be issued

B = the number of Common Shares underlying the Options subject to the net exercise

C = subject to the policies of the TSXV, the VWAP of the Common Shares on the TSXV calculated by dividing the total value by the total volume of the Common Shares traded for the five trading days immediately preceding the date of exercise of the Options subject to the net exercise

D = the Option Price of the Options subject to the net exercise

Subject to any policies of the TSXV and the consent of the Company, where an Option holder exercises their Options, the proposed amendment allows such Option holder to surrender such exercised Options (the "**Surrendered Options**") to the Company and receive an amount in cash equal to the excess, if any, of the aggregate Market Price of the Common Shares underlying the Surrendered Options over the Option Price of such Surrendered Options (the "**Cash Amount**"), less applicable withholding amounts. All such Surrendered Options shall thereafter be cancelled, and the holder thereof shall have no further entitlements with respect to such Surrendered Options other than to receive the Cash Amount.

(e) All Awards and Other Awards

Awards may be granted alone, in addition to, or in tandem with any other Award or any award granted under another plan of the Company or an affiliate. Awards granted in addition to or in tandem with other Awards may be granted either at the same time or at different times. The date of grant, the number of Common Shares, the vesting period and any other terms and conditions of Awards granted pursuant to the New Equity Incentive Plan are to be determined by the Board, subject to the express provisions of the New Equity Incentive Plan.

The Board may also grant other share-based awards to Eligible Persons pursuant to the New Equity Incentive Plan. All such awards shall be granted on terms determined by the Board and shall be subject to the approval of the TSXV, if required.

Share Purchase Program

The Board may institute a share purchase program (the "**SPP**") for designated Eligible Persons (each a "**SPP Eligible Person**"). Pursuant to the SPP, the Board could grant to each SPP Eligible Person one Option and/or one SAR for each Common Share purchased by such person up to a maximum number of Options and/or SARs for each Eligible Person as may be determined from time to time by the Board.

Restrictions on Awards

The New Equity Incentive Plan contains the following restrictions on the allotment of Common Shares and the Company's obligation to issue Common Shares pursuant to the New Equity Incentive Plan:

(a) subject to (b), (c), and (d) below, the maximum number of Common Shares issuable to any Eligible Person under the New Equity Incentive Plan, or when combined with all of the Company's other Share Compensation Arrangements (as defined in the New Equity Incentive Plan), will not exceed more than 5% of the issued and outstanding Common Shares (on a non-diluted basis, calculated as at the time of the grant of such Awards) in any 12-month period, unless the Company has obtained disinterested shareholder approval in connection therewith;

(b) the maximum number of Common Shares issuable to any consultant under the New Equity Incentive Plan, or when combined with all of the Company's other Share Compensation Arrangements, will not exceed more than 2% of the issued and outstanding Common Shares (on a non-diluted basis, calculated as at the time of the grant of such Awards) in any 12-month period;

(c) no Awards, other than Options, may be granted to any Eligible Person providing investor relations services whose role and duties primarily consist of investor relations activities;

(d) the aggregate number of Options granted to Eligible Persons retained to primarily provide investor relations services shall not exceed 2% of the issued and outstanding Common Shares (on a non-diluted basis, calculated as at the time of the grant of such Options) in any 12-month period;

(e) Options granted to Eligible Persons retained to primarily provide investor relations services shall vest in a period of not less than 12-months from the date of grant and with no more than 25% of the Options vesting in any three month period;

(f) unless otherwise stated in the New Equity Incentive Plan, no Award (other than an Option) may vest before the date that is one year following the such Award is granted;

(g) the number of Common Shares that are issuable pursuant to Awards, or when combined with all of the Company's other Share Compensation Arrangements, issued to Insiders (as a group), shall not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis) at any point in time, unless the Company has obtained disinterested shareholder approval in connection therewith; and

(h) the number of Common Shares that are issuable pursuant to Awards, or when combined with all of the Company's other Share Compensation Arrangements, issued to Insiders (as a group), within any 12-month period, shall not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis), calculated as at the date any Award is granted or issued to any Insider, unless the Company has obtained disinterested shareholder approval in connection therewith,

(collectively, the "**New Equity Incentive Plan Restrictions**").

Notwithstanding the New Equity Incentive Plan Restrictions, the Company will not be deemed to be acting in contravention of the limits set out immediately above as a result of any decrease in the number of issued and outstanding Common Shares following the grant of an Award as a result of any issuer bid or redemption carried out in accordance with applicable Law.

Substitute Awards

Subject to TSXV approval, the Board may grant Awards under the New Equity Incentive Plan in substitution for share and share-based awards held by employees, directors, consultants or advisors of another company (an "**Acquired Company**") in connection with a merger, consolidation or similar transaction involving such Acquired Company and the Company (or an affiliate thereof) or the acquisition by the Company (or an affiliate thereof) of property or stock of the Acquired Company.

Termination

Subject to the provisions of the New Equity Incentive Plan, any express resolution passed by the Board and the terms of any award agreement, all Awards, and all rights to acquire Common Shares pursuant thereto, granted to a Participant shall expire and terminate immediately upon such person's termination date. If, however, before the expiry of an Award, a Participant ceases to be an Eligible Person for any reason, other than termination by the Company for cause, such Award may be exercised or redeemed, as applicable: (a) subject to any determination by the Board, by the holder thereof at any time within 90 days following their termination date; or (b) if the person is deceased, at any time within six months following his or her death, subject to the provisions of the New Equity Incentive Plan, the terms set out in the applicable award agreement and any determination made by the Board to accelerate the vesting of or to extend the expiry of an Award. In any event, the exercise or redemption of an Award must occur prior to any applicable expiry date and in any event, not more than 12 months from the date of termination. In addition, an Award is only exercisable or redeemable to the extent that the Participant was otherwise entitled to exercise or redeem the Award unless otherwise determined by the Board. If a Participant is terminated for cause, all unexercised or unredeemed Awards (vested or unvested) shall be terminated immediately.

Adjustments

If a take-over bid for the Common Shares is made (an "**Offer**"), all Common Shares subject to outstanding Awards not then exercisable or redeemable shall become exercisable or redeemable and a Participant shall be entitled to exercise or redeem all or any part of the Award and tender the Common Shares acquired into the Offer. In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, acquisition, divestiture, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to Shareholders, or any other change in the capital of the Company affecting Common Shares, the Board will, subject to

TSXV approval, make such proportionate adjustments, if any, to outstanding Awards as the Board in its discretion may deem appropriate to reflect such change.

Change of Control

As set out in the New Equity Incentive Plan, in the event of a change of control ("**CoC**") of the Company or of an affiliate of which a Participant is a Canadian employee, with respect to all RSUs, Options, SARs and DSUs that are outstanding for such Participant on the date of the completion of CoC (the "**CoC Date**"), (a) all vesting criteria or exercise criteria, if any, applicable to such RSUs, Options, SARs and DSUs shall be deemed to have been satisfied as of the CoC Date; and (b) except as may be otherwise provided under the terms of any other employee benefit plan approved by the Board, each Participant who has received any such RSU, Option or SAR grants shall be entitled to request to receive a cash payment as consideration for the surrender and cancellation of such RSU, Option or SAR grants to the Company equal to (i) in the case of a RSU, the Special Value (as defined herein); and (ii) in the case of a SAR or Option the difference between the Special Value and the Option Price in respect of such Option or SAR, as applicable, in each case, payable on the date which is ten business days following the CoC Date. In the event of a CoC, the right of a Participant to receive a payment in respect of a DSU will not be triggered prior to such Participant's termination date. As used herein, the term "**Special Value**" means (a) if any Common Shares are sold as part of the transaction constituting the CoC, the weighted average of the prices paid for such shares by the acquirer, provided that if any portion of the consideration is paid in property other than cash, then the Board shall determine the fair market value of such property for purposes of determining the Special Value; and (b) if no Common Shares are sold, the Market Price of a Common Share on the day immediately preceding the date of the CoC.

Acceleration of Awards

Notwithstanding any other provision of the New Equity Incentive Plan, but subject to the policies of the TSXV, the Board may at any time give notice to Participants advising that their respective Awards (other than DSUs) are all immediately exercisable or redeemable and may be exercised or redeemed only within 30 days of such notice or such other period as determined by the Board and will otherwise terminate at the expiration of such period.

Amendment Procedure

The New Equity Incentive Plan contains a formal amendment procedure. The Board may amend certain terms of the New Equity Incentive Plan without requiring the approval of the Shareholders, unless specifically required by the TSXV. Amendments not requiring Shareholder approval include, without limitation: (a) altering, extending or accelerating Award vesting terms and conditions; (b) accelerating the expiry date of any Option; (c) determining adjustments pursuant to the provisions of the New Equity Incentive Plan concerning corporate changes; (d) amending the definitions contained in the New Equity Incentive Plan; (e) amending or modifying the mechanics of exercising or redeeming Awards; (f) amending provisions relating to the administration of the New Equity Incentive Plan; (g) making "housekeeping" amendments, such as those necessary to cure errors or ambiguities contained in the New Equity Incentive Plan; (h) effecting amendments necessary to comply with the provisions of applicable laws; and (i) suspending or terminating the New Equity Incentive Plan.

The New Equity Incentive Plan specifically provides that the following amendments require Shareholder approval: (a) increasing the number of Common Shares issuable under the New Equity Incentive Plan; (b) amending the New Equity Incentive Plan if such amendment could result in the aggregate number of Common Shares issued to Insiders within any one year period exceeding 10% of the outstanding Common Shares; (c) extending the term of an Option; (d) extending the term of an Option held by an Insider (which requires disinterested shareholder approval); (e) reducing the Option Price for an Option or cancelling an Option and replacing such Option with a replacement Option with a lower Option Price; (f) repurchasing for cash or cancelling an Award in exchange for another Award at a time when its Option Price is greater than the Market Price of the underlying Common Shares; (g) amending the class of Eligible Persons which would have the potential of broadening or increasing participation in the New Equity Incentive Plan by Insiders; (h) any amendment which would permit Awards to be transferable or assignable other than for normal estate settlement purposes; (i) amending the formal amendment procedures of the New Equity Incentive Plan; (j) amending the termination provisions of an Award; and (k) making any amendments to the New Equity Incentive Plan required to be approved by the Shareholders under applicable Law.

Other Terms

Except as provided or with the consent of the Company and any applicable regulatory authority, all Awards under the New Equity Incentive Plan will be non-assignable.

Where an Award would expire during a black-out period or within ten business days following the end of a black-out period, the term of such Award shall be automatically extended to the date which is ten business days following the end of such black-out period, except where not permitted by the TSXV.

The description of the New Equity Incentive Plan above is intended as a summary only and is qualified in its entirety by reference to the New Equity Incentive Plan which is attached as Appendix "C" hereto.

DIRECTORS

Directors to be Appointed on Closing of the Transactions

Effective as of the Closing, pursuant to the Investment Agreement, the Board will be reconstituted and consist of (a) five directors selected and nominated by the Investor, (b) one independent director mutually acceptable to the Investor and the Company, (c) the Company's chief executive officer, (d) any additional independent directors necessary to meet applicable securities regulatory and stock exchange requirements, as selected by the Company's Board, and (e) eleven directors in the aggregate.

Upon Closing of the Transactions, each of the following ten individuals will be appointed to serve as a director of Westaim Delaware until the next meeting of Shareholders at which the election of directors is considered, or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the charter of Westaim Delaware. As of the date of this Information Circular, the independent director mutually acceptable to the Investor and the Company has not yet been identified.

The following table and the notes thereto set out the name of each person proposed to be appointed as a director of Westaim Delaware upon closing of the Transactions, the period during which he or she has been a director of the Company, his or her principal occupation within the five preceding years, all offices of the Company now held by such person, and his or her shareholdings, which includes the number of voting securities of the Company beneficially owned, or over which control or direction is exercised, directly or indirectly, in each case as applicable.

Name of Proposed Director, Province/State and Country of Residence	**Year First Elected a Director**	**Principal Occupation(s) for the Past Five Years**	**Position(s) with the Corporation**	**Common Shares Owned, Controlled or Directed, Directly or Indirectly[(1)]**
Ian W. Delaney[(2)] Ontario, Canada	Director since 1996	Executive Chair of the Corporation.	Director and Executive Chair	8,250,883
J. Cameron MacDonald Ontario, Canada	Director since 2008	President and Chief Executive Officer of the Corporation.	Director, President and Chief Executive Officer	3,451,250
Kevin E. Parker[(2)(3)(4)] New York, United States	Director since 2020	Managing Partner at Sustainable Insight Capital Management *(institutional investment firm)*.	Director and Chair of the Compensation Committee	nil

Name of Proposed Director, Province/State and Country of Residence	Year First Elected a Director	Principal Occupation(s) for the Past Five Years	Position(s) with the Corporation	Common Shares Owned, Controlled or Directed, Directly or Indirectly[1]
Michael Siegel[2][3] New York, United States	Director since 2023	Since February 2020, Chief Executive Officer of Legeis Capital, LLC *(an advisory firm focusing on the intersection of insurance and asset management)*. From August 2009 to January 2020, Managing Director at RBC Capital Markets, LLC *(an investment bank)* and from January 2017 to January 2020, President and Chief Executive Officer of RBC Alternative Asset Management, LLC *(an affiliate of RBC Capital Markets, LLC)*.	Director	nil
Bruce V. Walter[2][4] Ontario, Canada	Director since 2015 Director from 1997 to 2012	Chairman of Nunavut Iron Ore, Inc. *(a resource company)*.	Director	242,816
Chinh Chu New York, United States	N/A	Founder and Senior Managing Director of CC Capital Partners (*investment firm*)	N/A[5]	nil[6]
Douglas Newton New York, United States	N/A	Senior Managing Director of CC Capital Partners (*investment firm*)	N/A	nil
Matthew Skurbe New Jersey, United States	N/A	Since July 2020, Senior Managing Director, Chief Operating Officer and Chief Financial Officer of CC Capital Partners (*investment firm*). From February 2009 to June 2020, Treasurer at Blackstone (*investment firm*)	N/A	nil
Richard DiBlasi New York, United States	N/A	Managing Director of CC Capital Partners (*investment firm*)	Chief Strategy Officer	nil
Deanna Mulligan New York, United States	N/A	Since January 2021, Chief Executive Officer of Purposeful (*consulting firm*). From July 2011 to December 2020, Chief Executive Officer of Guardian Life (*insurance company*)	N/A	nil

Notes:

(1) The information as to the number of Common Shares owned, controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been obtained from the System for Electronic Disclosure by Insiders (SEDI) or furnished by each of the proposed directors of the Company individually. No director or proposed director beneficially owns, or controls or directs, directly or indirectly, voting securities of any of the subsidiaries of the Company.

(2) Member of the nominating and corporate governance committee of the Board.

(3) Member of the human resources and compensation committee of the Board.

(4) Member of the audit committee of the Board.

(5) To be appointed Executive Chair on Closing.

(6) Mr. Chu has beneficial ownership and control over the Investor and, as a result, following Closing of the Transactions, will beneficially own 71,878,947 Common Shares, expected to represent approximately 36% of issued and outstanding Common Shares following Closing, and the Warrants.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed director is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that:

(a) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemptions under Canadian securities legislation that was in effect for a period of more than 30 consecutive days (an "**order**"), that was issued while the proposed director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or

(b) was subject to an order that was issued after the proposed director ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

To the knowledge of the Company, other than as set out below, no proposed director:

(a) is, as at the date of this Information Circular, or has been within the ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Parker was a director of agri.capital Group S.A. ("**ACG**") before resigning in January 2015. Following his resignation, ACG filed for bankruptcy in Luxembourg in February 2015.

Mr. Parker was a Manager of Green Partners Technology Holdings GmbH ("**GPTH**"). In 2014, a judge of the district court of St. Gallen, Switzerland ordered the voluntary dissolution of GPTH by bankruptcy and it was deleted from the commercial register in 2015.

On January 30, 2017, CC Capital acquired a majority interest in Constellation Healthcare Technologies, Inc. ("**CHT**"). Upon closing of the transaction, Mr. Chu and Mr. Newton were appointed as members of the board of directors of an intermediate holding company parent of CHT, a CC Capital portfolio company. On March 16, 2018, Orion Healthcorp, Inc., CHT and other related entities filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of New York.

To the knowledge of the Company, no proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

DISSENT RIGHTS

The following description of the right to dissent to which Registered Shareholders are entitled in respect of the Arrangement is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such Dissenting Shareholder's Common Shares and is qualified in its entirety by reference to the text of section 191 of the ABCA, the Interim Order and the full text of the Plan of Arrangement, which are attached to this Information Circular as Appendices D, F and G, respectively. A Dissenting Shareholder who intends to exercise the right to dissent should carefully consider and comply with the provisions of the ABCA, as modified by the Plan of Arrangement and by the Interim Order. Failure to adhere to the procedures established therein may result in the loss of Dissent Rights. Accordingly, each Dissenting Shareholder who might desire to exercise Dissent Rights should consult his or her own legal advisor.

A Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described in this Information Circular based on the evidence presented at such hearing. Pursuant to the Interim Order, Dissenting Shareholders are entitled, in addition to any other right such Dissenting Shareholder may have, to dissent and to be paid the fair value of the Common Shares held by such Dissenting Shareholder in respect of which such Dissenting Shareholder dissents, determined (notwithstanding anything to the contrary contained in subsection 191(3) of the ABCA) as of the close of business on the day before the Arrangement Resolution was adopted and provided the Arrangement is completed in respect of such Shareholders.

A Dissenting Shareholder may dissent only with respect to all of the Common Shares held by such Dissenting Shareholder, or on behalf of any one beneficial owner, and registered in the Dissenting Shareholder's name. Only registered Shareholders are entitled to dissent. Non-registered Shareholders who wish to dissent should be aware that they may only do so through the registered holder of such Common Shares. A registered Shareholder, such as a broker, dealer, bank, trust company or other nominee (including CDS), who holds Common 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 all of the Common Shares held for such Non-registered Shareholders. In such case, the written objection to the Arrangement Resolution should set forth the number of Common Shares covered by it.

A registered Shareholder wishing to exercise the right to dissent with respect to the Arrangement must (a) deliver a written notice of dissent to the Arrangement Resolution to the Company, by mail to The Westaim Corporation, 70 York Street, Suite 1700 Toronto, Ontario Canada M5J 1S9, Attention: J. Cameron MacDonald not later than 5:00 p.m. (Calgary time) on December 17, 2024, or, if the Meeting is adjourned or postponed the business day which is two (2) business days immediately preceding the date of the Meeting. **No Shareholder who has voted in favour of the Arrangement Resolution shall be entitled to dissent with respect to such Arrangement Resolution.**

Either the Company (which for purposes hereof shall include any successor to the Company) or a Dissenting Shareholder, as the case may be, may apply to the Court, after the approval of the Arrangement Resolution to fix the fair value of such Dissenting Shareholder's Common Shares. If such an application is made to the Court by either the Company or a Dissenting Shareholder, as the case may be, the Company must, unless the Court orders otherwise, send to each Dissenting Shareholder, a written offer to pay such Dissenting Shareholder an amount considered by the Company to be the fair value of the Common Shares held by such Dissenting Shareholder. The offer, unless the Court orders otherwise, must be sent to each Dissenting Shareholder, as the case may be, at least ten days before the date on which the application is returnable, if the Company is the applicant, or within ten days after the Company is served a copy of the application, if a Dissenting Shareholder is the applicant. Every offer will be made on the same terms to each Dissenting Shareholder and contain or be accompanied with a statement showing how the fair value was determined.

A Dissenting Shareholder may make an agreement with the Company for the purchase of such holder's Common Shares in the amount of the offer made by the Company, or otherwise, at any time before the Court pronounces an order fixing the fair value of the Common Shares. A Dissenting Shareholder will not be required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Court will make an order fixing the fair value of the Common Shares of all Dissenting Shareholders, as the case may be, who are parties to the application, giving judgment in that amount against the Company and in favour of each of those Dissenting Shareholders, and fixing the time within which the Company must pay the amount payable to each Dissenting Shareholder calculated from the date on which such Dissenting Shareholder ceases to have any rights as a Shareholder until the date of payment.

Upon the Arrangement becoming effective in respect of the Common Shares held by the Dissenting Shareholder, such Dissenting Shareholder will cease to have any rights as a Shareholder, as the case may be, other than the right to be paid the fair value of such holder's Common Shares. Until one of these events occurs, the Dissenting Shareholder may withdraw his or her dissent or, if the Arrangement has not yet become effective, the Company may rescind the Arrangement Resolution and in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

The Company shall not make a payment to a Dissenting Shareholder under section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement, if there are reasonable grounds for believing that the Company is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of its assets would thereby be less than the aggregate of its liabilities. In such event, the Company shall notify each Dissenting Shareholder that they are unable lawfully to pay such Dissenting Shareholder for his or her Common Shares, in which case the Dissenting Shareholder may, by written notice to the Company within 30 days after receipt of such notice, withdraw such holder's written objection, in which case the holder shall be deemed to have participated in the Arrangement as a Shareholder. If the Dissenting Shareholder does not withdraw such holder's written objection, such Dissenting Shareholder retains status as a claimant against the Company to be paid as soon as the Company are lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Company but in priority to their equity securityholders.

All Common Shares held by Dissenting Shareholders who exercise their Dissent Rights will, if the holders thereof do not otherwise withdraw such written objections, be deemed to be transferred to the Company under the Arrangement in exchange for the fair value thereof or will, if such Dissenting Shareholders ultimately are not so entitled to be paid the fair value thereof, be treated as if the holders had participated in the Arrangement on the same basis as a non-dissenting holder of Common Shares.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their Common Shares. Section 191 of the ABCA, other than as amended by the Arrangement and the Interim Order, requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, Dissenting Shareholders who might desire to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of section 191 of the ABCA, the full text of which is set out in Appendix "E" to this Information Circular and consult their own legal advisor.**

The Investment Agreement provides that, the respective obligation of each party to the Investment Agreement to effect the Private Placement is subject to the satisfaction or waiver of, among other things, the condition that Dissent Rights shall not have been validly exercised with respect to more than 10% of the issued and outstanding Common Shares (other than Common Shares held by the Investor) as of the Effective Time.

CANADIAN AND U.S. FEDERAL INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations of the Share Consolidation and Redomiciliation generally applicable to the holders of Common Shares immediately prior to the Share Consolidation and the Redomiciliation. This summary is generally applicable to a beneficial owner of the Common Shares or Westaim Delaware Shares who, for purposes of the Canadian Tax Act and at all relevant times, holds Common Shares or Westaim Delaware Shares as capital property, deals at arm's length with the Company and is not affiliated with the Company (a "**Holder**"). Generally, Common Shares and Westaim Delaware Shares will be considered capital property to a Holder provided the Holder does not hold the Common Shares or Westaim Delaware Shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Canadian Tax Act in force as of the date hereof and the current administrative policies and assessing practices of the CRA published in writing and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Canadian Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted in the form proposed. No assurance can be given that the Proposed Amendments will be enacted in the form 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 decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ materially from those described in this summary.

This summary is based on the Company ceasing to be resident in Canada for purposes of the Canadian Tax Act at the time of the Redomiciliation, and assumes that from the time of the Redomiciliation and at all relevant times thereafter, the Company will not be resident in Canada for purposes of the Canadian Tax Act, will be resident in the United States for purposes of the *Canada-U.S. Income Tax Convention* (the "**Treaty**") and will be entitled to all of the benefits of the Treaty.

This summary is not applicable to a Holder: (a) that is a "financial institution" for purposes of certain rules in the Canadian Tax Act (referred to as the "mark-to-market rules"); (b) an interest in which is or for whom a Common Share or Westaim Delaware Shares would be a "tax shelter investment"; (c) that is a "specified financial institution"; (d) that reports its "Canadian tax results" in a currency other than the Canadian currency; (e) that is a partnership for Canadian federal income tax purposes or is exempt from tax under Part I of the Canadian Tax Act; (f) that has entered, or will enter, into a "derivative forward agreement" or a "synthetic disposition arrangement" with respect to their Common Shares or Westaim Delaware Shares; (g) who acquired Common Shares or will acquire Westaim Delaware Shares under or in connection with the Company's long term incentive plan, any other equity based compensation arrangement, or Warrants; (h) in respect of which the Company will be a "foreign affiliate"; or (i) who receives or will receive dividends on the Common Shares or Westaim Delaware Shares under or as part of a "dividend rental arrangement" (all such terms as defined in the Canadian Tax Act). Additional considerations not discussed herein may be applicable to a Holder that is a corporation resident in Canada and is, or becomes, controlled by a non-resident person or group of persons not dealing at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Canadian Tax Act. Such Holders should consult with and rely on their own tax advisors.

This summary does not discuss the Canadian income tax consequences of the Share Consolidation and Redomiciliation to holders of stock options, restricted share units, other share-based awards granted by the Company, holders of Warrants or any other person that beneficially owns Warrants, or other conversion or exchange rights to acquire Common Shares or Westaim Delaware Shares. This summary also does not describe the tax considerations with respect to holding, exercising or disposing of options, other share-based awards granted by the Company or

Warrants of the Company, or other conversion or exchange rights to acquire Common Shares or Westaim Delaware Shares. Any such holders should consult with and rely on their own tax advisors with respect to the tax consequences of the Arrangement.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Holders are urged to consult their own legal and tax advisors with respect to the tax consequences to them of the Share Consolidation and Redomiciliation, having regard to their particular circumstances. Holders who are subject to tax in a jurisdiction other than Canada should consult their own tax advisors with respect to the tax implications of the Arrangement, including, without limitation, any associated filing requirements in such jurisdictions.

The Company

As a result of the Redomiciliation, the Company will cease to be a resident of Canada and a "public corporation" for purposes of the Canadian Tax Act. On ceasing to be a resident of Canada, the Company will no longer be subject to Canadian income tax on its worldwide income. Subsequent to the Redomiciliation, the Company will not be subject to Canadian income tax except on any income from business operations that are attributable to a permanent establishment in Canada as well as on gains from the disposition of "taxable Canadian property" that is not "treaty-protected property" (each as defined in the Canadian Tax Act).

For Canadian federal income tax purposes, the Redomiciliation will cause the Company's taxation year to be deemed to have ended immediately prior to the Redomiciliation. Immediately prior to the time of this deemed taxation year-end, the Company will be deemed to have disposed of each of its properties for proceeds of disposition equal to the fair market value of all such properties at that time and will be deemed to have reacquired such properties at a cost amount equal to that fair market value. The Company will be subject to income tax under Part I of the Canadian Tax Act on any income and net taxable capital gains which arise as a result of this deemed disposition (after the utilization of any available capital or non-capital losses).

The Company will also be subject to an additional "emigration tax" under Part XIV of the Canadian Tax Act on the amount, if any, by which the fair market value (immediately before the Company's deemed taxation year end resulting from the Redomiciliation), of all of it properties, exceeds the total of the amount of certain of its liabilities and the paid-up capital (determined for purposes of the emigration tax) of all the issued and outstanding shares of the Company immediately before the deemed taxation year end. This additional tax is generally payable at the rate of 25% but is expected to be reduced to 5% by virtue of the Treaty.

The Canadian tax consequences to the Company associated with the Redomiciliation are principally dependent upon the valuation of the Company's assets, the amount of its liabilities, its shareholder composition, as well as certain Canadian tax amounts, accounts and balances of the Company, each as of the time of the Redomiciliation. The magnitude of the Canadian tax consequences will also be impacted by the Capital Gains Proposals, see "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Non-Dissenting Resident Holders – Taxation Of Capital Gains And Capital Losses*" below. Management of the Company has advised that, in its view and as of the date hereof, it estimates that the approximate tax liability of the Company as a result of the deemed disposition of its properties and the emigration tax on the Redomiciliation is expected to be a one-time Canadian tax cost of no more than US$10 million.

Shareholders are cautioned that the CRA may not agree with the Company's calculation of the tax liability, including because the CRA disagrees with the Company's determination of the fair market value of its properties at the relevant time. It is also possible that the fair market value of the Company's properties may change between the date hereof and the time of the Redomiciliation.

Currency Conversion

Generally, for purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of Common Shares or Westaim Delaware Shares, must be converted into Canadian dollars based on exchange rates as determined in accordance with the Canadian Tax Act.

Holders Resident in Canada

The following portion of this summary applies to a Holder who, at all relevant times, for purposes of the Canadian Tax Act and any applicable income tax treaty or convention, is resident, or is deemed to be resident, in Canada (a "**Resident Holder**").

(a) Dissenting Resident Holders

A Dissenting Shareholder that is a Resident Holder who holds Common Shares (a "**Dissenting Resident Holder**") and is entitled to be paid fair value for its dissenting Common Shares will, pursuant to the Arrangement, be deemed to transfer such dissenting Common Shares to the Company in consideration for a cash payment equal to fair value from the Company.

Although the matter is not free from doubt, the Dissenting Resident Holder will generally be deemed to have received a dividend on the Common Shares equal to the amount, if any, by which the payment by the Company in the amount of the fair value of the Common Shares exceeds the paid-up capital of such shares for purposes of the Canadian Tax Act. The amount of this deemed dividend could, in some circumstances, be treated as proceeds of disposition in the case of Dissenting Resident Holders that are corporations. The difference between the amount of such payment and the amount of any deemed dividend would be treated as proceeds of disposition of the Common Shares for the purposes of computing any capital gain or capital loss realized on the disposition of the Common Shares. For a description of the tax treatment of capital gains and capital losses, see "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Non-Dissenting Resident Holders – Taxation Of Capital Gains And Capital Losses*" below.

Any interest awarded to a Dissenting Resident Holder by a court will be included in the Dissenting Resident Holder's income for Canadian income tax purposes.

Canadian Resident Holders who are considering exercising Dissent Rights in connection with the Arrangement are urged to consult with their tax advisors with respect to the tax consequences to them of dissenting.

(b) Non-Dissenting Resident Holders

The following discussion is applicable to a Resident Holder who has not exercised their Dissent Rights pursuant to the Arrangement.

(i) Share Consolidation

A Resident Holder will not realize a capital gain or a capital loss as a result of the Share Consolidation, other than with respect to a Resident Holder who would hold fewer than one whole Common Share after giving effect to the Share Consolidation (a "**Fractional Share**") and who receives cash from the Company in lieu of such Fractional Share.

Although the matter is not free from doubt, based on CRA statements, to the extent a Resident Holder would hold a Fractional Share and receives cash from the Company in lieu of such Fractional Share pursuant to the Share Consolidation, such cash should generally be treated as proceeds of disposition of the Common Shares disposed of for such cash and should give rise to a capital gain or capital loss. For a description of the tax treatment of capital gains and capital losses, "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Non-Dissenting Resident Holders – Taxation Of Capital Gains And Capital Losses*" below.

(ii) Redomiciliation

A Resident Holder should not realize a taxable capital gain or loss by reason only of the Redomiciliation. The Redomiciliation should also not have an effect on the adjusted cost base of a Resident Holder's Common Shares or Westaim Delaware Shares.

(iii) Dividends on Westaim Delaware Shares Following the Redomiciliation

While Westaim Delaware has no current plans to pay dividends for the foreseeable future, dividends on Westaim Delaware Shares will be required to be included in the Resident Holder's income for the purposes of the Canadian Tax Act. Such dividends received by a Resident Holder who is an individual will not be subject to the gross-up and dividend tax credit rules in the Canadian Tax Act. A Resident Holder that is a corporation is required to include such dividends in computing its income and generally will not be entitled to deduct the amount of such dividends in computing its taxable income.

Any U.S. non-resident withholding tax imposed on such dividends should generally be eligible, subject to the detailed rules and limitations under the Canadian Tax Act, to be credited against the Resident Holder's income tax or deducted from income. Resident Holders are advised to consult with and rely on their own advisors with respect to the availability of a Canadian foreign tax credit or deduction having regard to their particular circumstances.

(iv) Disposition of Westaim Delaware Shares Following the Redomiciliation

A disposition or deemed disposition of Westaim Delaware Shares by a Resident Holder will generally result in a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of such Westaim Delaware Shares immediately prior to the disposition. For a description of the tax treatment of capital gains and capital losses, see "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Non-Dissenting Resident Holders – Taxation Of Capital Gains And Capital Losses*" below.

(v) Taxation of Capital Gains and Capital Losses

Subject to the Capital Gains Proposals discussed below, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year. One-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, to the extent and under the circumstances described in the Canadian Tax Act.

Proposed Amendments related to the capital gains inclusion rate (the "**Capital Gains Proposals**") would increase a Resident Holder's capital gains inclusion rate for a taxation year ending after June 24, 2024, from one-half to two-thirds, subject to a transitional rule applicable for a Resident Holder's 2024 taxation year that would reduce the capital gains inclusion rate for that taxation year to be, in effect, one-half for net capital gains realized before June 25, 2024. The Capital Gains Proposals also include provisions that would, generally, offset the increase in the capital gains inclusion rate for up to C$250,000 of net capital gains realized (or deemed to be realized) by Resident Holders that are individuals (including certain trusts) in the year that are not offset by net capital losses carried back or forward from another taxation year. If the Capital Gains Proposals are enacted as proposed, capital losses realized prior to June 25, 2024, which are deductible against capital gains included in income for the 2024 or subsequent taxation years, will offset an equivalent capital gain regardless of the inclusion rate which applied at the time such capital losses were realized. Resident Holders should consult their own tax advisors with respect to the Capital Gains Proposals. A capital loss realized on the disposition of Common Shares or Westaim Delaware Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by the corporation on such shares to the extent and under the circumstances specified by the Canadian Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares or Westaim

Delaware Shares directly or indirectly through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own advisors.

(vi) Additional Refundable Tax

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Canadian Tax Act), or at any time in the year a "substantive CCPC" (as defined in the Canadian Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Canadian Tax Act) for the year, including taxable capital gains realized, and interest and dividends received or deemed to be received that are not deductible in computing taxable income.

(vii) Alternative Minimum Tax

Capital gains realized by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable, or having an increased liability, for alternative minimum tax under the Canadian Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

(viii) Foreign Property Information Reporting

A Resident Holder that is a "specified Canadian entity" (as defined in the Canadian Tax Act) for a taxation year or a fiscal period and whose total "cost amount" (as defined in the Canadian Tax Act) of "specified foreign property" (as defined in the Canadian Tax Act), including the Westaim Delaware Shares, at any time in the year or fiscal period exceeds C$100,000 will be required to file an information return with the CRA for the taxation year or fiscal period disclosing certain prescribed information in respect of such property. Penalties may apply where a Resident Holder fails to file the required information return in respect of such Resident Holder's "specified foreign property" on a timely basis in accordance with the Canadian Tax Act. Resident Holders should consult their own tax advisors regarding the reporting rules contained in the Canadian Tax Act and compliance with these reporting requirements.

Holders Not Resident in Canada

The following portion of this summary applies to a Holder who, at all relevant times, for purposes of the Canadian Tax Act and any applicable income tax treaty or convention, is not resident, and is not deemed to be resident, in Canada and does not use or hold, and is not deemed to use or hold, Common Shares or Westaim Delaware Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This part of the summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere or an "authorized foreign bank" (as defined in the Canadian Tax Act) and any such Non-Resident Holders should consult their own tax advisors.

(a) Dissenting Non-Resident Holders

A Dissenting Shareholder that is a Non-Resident Holder (a "**Dissenting Non-Resident Holder**") and is entitled to be paid fair value for its dissenting Common Shares will, pursuant to the Arrangement, be deemed to transfer such dissenting Common Shares to the Company in consideration for a cash payment from the Company equal to the fair value of such Common Shares.

Although the matter is not free from doubt, a Dissenting Non-Resident Holder will generally be deemed to have received a dividend on the Common Shares equal to the amount, if any, by which the payment by the Company in the amount of the fair value of the Common Shares exceeds the paid-up capital of such shares for purposes of the Canadian Tax Act. Any such deemed dividend will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the dividend but may be reduced under an applicable tax convention. A Dissenting Non-Resident Holder will also be considered to have disposed of the Common Shares for proceeds of disposition equal to the amount paid to such Dissenting Non-Resident Holder, less any amount that is deemed to be a dividend received by the Dissenting Non-Resident Holder, as described above. A Dissenting Non-Resident Holder will not be subject to tax under the Canadian Tax Act on any capital gain realized on the disposition of Common Shares unless the Common Shares are "taxable

Canadian property" for purposes of the Canadian Tax Act and are not "treaty-protected" property of the Dissenting Non-Resident Holder (each as defined in the Canadian Tax Act) at the time of disposition.

A Common Share generally will not be taxable Canadian property of a Dissenting Non-Resident Holder at a particular time unless, at any time during the 60-month period immediately preceding the time of disposition, more than 50% of the fair market value of the Common Share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Canadian Tax Act), "timber resource property" (as defined in the Canadian 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) (the "**Real Property Test**"). In addition, if the Common Share is listed on a designated stock exchange (which currently includes the TSXV) at the time of disposition, the Common Share will not be taxable Canadian property (even if the Real Property Test is satisfied) unless 25% or more of the issued shares of any class or series the Company's shares were owned by or belonged to one or any combination of (a) the Dissenting Non-Resident Holder, (b) persons with whom the Dissenting Non-Resident Holder did not deal at arm's length, and (c) partnerships in which the Dissenting Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships (the "**Ownership Test**").

Notwithstanding the above, Common Shares may, in certain circumstances, be deemed to be taxable Canadian property to a Dissenting Non-Resident Holder for the purposes of the Canadian Tax Act. Dissenting Non-Resident Holders whose Common Shares may constitute taxable Canadian property are urged to consult their own tax advisors for advice having regard to their particular circumstances.

Even if Common Shares are considered to be taxable Canadian property of a Dissenting Non-Resident Holder, a taxable capital gain (or an allowable capital loss) resulting from the disposition of such Common Shares will not be included (or deducted) in computing the Dissenting Non-Resident Holder's income for purposes of the Canadian Tax Act if the Common Shares constitute "treaty-protected property" (as defined in the Canadian Tax Act).

Common Shares owned by a Non-Resident Holder will generally be treaty-protected property if the gain from the disposition of such Common Shares would, because of an applicable income tax treaty or convention to which Canada is a signatory, be exempt from tax under Part I of the Canadian Tax Act.

If the Common Shares are considered to be taxable Canadian property but not treaty-protected property to a particular Dissenting Non-Resident Holder, upon the disposition of such Common Shares pursuant to the Arrangement, such Dissenting Non-Resident Holder will realize a capital gain (or capital loss) generally in the circumstances and computed in the manner described above under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Non-Dissenting Resident Holders – Taxation Of Capital Gains And Capital Losses*" as if the Dissenting Non-Resident Holder were a Resident Holder thereunder. Any interest paid or credited to a Dissenting Non-Resident Holder in respect of the exercise of Dissent Rights will generally not be subject to Canadian withholding tax.

(b) Non-Dissenting Non-Resident Holders

The following discussion is applicable to a Non-Resident Holder who has not exercised their Dissent Rights pursuant to the Arrangement.

(i) Share Consolidation

A Non-Resident Holder who does not receive any cash from the Company pursuant to the Share Consolidation will not realize a capital gain or a capital loss as a result of the Share Consolidation. Although the matter is not free from doubt, based on CRA statements, to the extent a Non-Resident Holder would hold a Fractional Share and receives cash from the Company in lieu of such Fractional Share pursuant to the Share Consolidation, the Non-Resident Holder should generally not be subject to tax under the Canadian Tax Act unless such Common Shares are "taxable Canadian Property" and are not "treaty-protected property" of the Non-Resident Holder (each as defined in the Canadian Tax Act) at the time of disposition. For a discussion on "taxable Canadian property" and "treaty-protected property", see "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations –*

Holders Resident in Canada – Non-Dissenting Non-Resident Holders – Disposition of Westaim Delaware Shares Following the Redomiciliation" below.

(ii) Redomiciliation

A Non-Resident Holder should not realize a taxable capital gain or loss by reason only of the Redomiciliation. The Redomiciliation should also not have an effect on the adjusted cost base of a Non-Resident Holder's Common Shares or Westaim Delaware Shares.

(iii) Dividends on Westaim Delaware Shares Following the Redomiciliation

Dividends paid on Westaim Delaware Shares to a Non-Resident Holder will not be subject to Canadian withholding tax under the Canadian Tax Act.

(iv) Disposition of Westaim Delaware Shares Following the Redomiciliation

A disposition or deemed disposition of Westaim Delaware Shares by a Non-Resident Holder will generally not result in tax under the Canadian Tax Act unless such Westaim Delaware Shares are "taxable Canadian Property" and are not "treaty-protected property" of the Non-Resident Holder (each as defined in the Canadian Tax Act) at the time of disposition.

See the discussion on "taxable Canadian property" and "treaty-protected property" under "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*" as if the Non-Dissenting Non-Resident Holder were a Dissenting Non-Resident Holder thereunder.

Eligibility for Investment

Provided the Common Shares or Westaim Delaware Shares are listed on a designated stock exchange (which currently includes the TSXV), the Common Shares or Westaim Delaware Shares on the date of the Redomiciliation, would be qualified investments on such date under the Canadian Tax Act for trusts governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), deferred profit sharing plan, registered disability savings plan ("**RDSP**"), tax-free savings account ("**TFSA**") or a "first home savings account" ("**FHSA**") (collectively "**Registered Plans**").

Notwithstanding the foregoing, if the Common Shares or Westaim Delaware Shares are a "prohibited investment" for a TFSA, RRSP, RRIF, RESP, RDSP, or FHSA, the holder of the TFSA, RDSP or FHSA, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as the case may be, will be subject to a penalty tax as set out in the Canadian Tax Act. Provided that, for purposes of the Canadian Tax Act, the holder, annuitant, or subscriber, as the case may be, deals at arm's length with the Company and does not have a "significant interest" (as defined in the Canadian Tax Act for purposes of the prohibited investment rules) in the Company, the Common Shares or Westaim Delaware Shares will not be a "prohibited investment" for such RRSPs, RRIFs, RESPs, RDSPs and TFSAs, as the case may be, under the Canadian Tax Act.

Certain U.S. Federal Income Tax Considerations

The following summary is a discussion of certain U.S. federal income tax considerations of the Share Consolidation and the Redomiciliation generally applicable to U.S. Holders (as defined herein) of Common Shares and certain U.S. federal income tax considerations generally applicable to Non-U.S. Holders (as defined herein) of the ownership and disposition of Westaim Delaware Shares received in the Redomiciliation. This section applies only to holders that hold their Common Shares as capital assets for U.S. federal income tax purposes (generally, property held for investment). It does not apply to holders of options or warrants to acquire Common Shares, or holders of promissory notes or other debt instruments of the Company or any of its subsidiaries.

The information in this section is general in nature and does not discuss all aspects of U.S. federal income taxation that might be relevant to a particular holder in light of such holder's circumstances or status, nor does it address tax considerations applicable to a holder subject to special rules, including:

- a bank or financial institution;
- a mutual fund;
- a retirement plan, individual retirement account or other tax deferred account;
- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting;
- a tax-exempt organization;
- an insurance company, real estate investment trust or regulated investment company;
- a person that actually or constructively owns 10% or more of the voting power or value of the Company's stock;
- a person that holds Common Shares as part of a straddle, hedging, or conversion transaction or a synthetic security or other integrated transaction for U.S. federal income tax purposes;
- a U.S. Holder whose functional currency is not the U.S. dollar;
- a person that received Common Shares pursuant to the exercise of any employee share option or otherwise in connection with the performance of services;
- certain former U.S. citizens or residents;
- a person who is subject to special tax accounting rules under Section 451(b) of the Code;
- a corporation that accumulates earnings to avoid U.S. federal income tax;
- a partnership or other pass-through entity, or an arrangement that is classified as a partnership for U.S. federal income tax purposes, and any investors in such a pass-through entity;
- an entity subject to the U.S. anti-inversion rules;
- a "qualified foreign pension fund;"
- a "controlled foreign corporation;" or
- a "passive foreign investment company."

Except as otherwise expressly described below, this discussion is based on the Code, final Treasury Regulations promulgated under the Code, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change or differing interpretations, possibly with retroactive effect, and could affect the tax considerations described herein. This discussion does not address U.S. federal estate or gift taxes, the alternative minimum tax or the Medicare tax on investment income, nor does it address any aspects of U.S. state or local or non-U.S. taxation.

We have not and do not intend to seek any rulings from the U.S. Internal Revenue Service (the "**IRS**") regarding the Share Consolidation or the Redomiciliation. There can be no assurance that the IRS will not take positions concerning the tax consequences of the Share Consolidation or the Redomiciliation that are inconsistent with the considerations discussed below or that any such positions would not be sustained by a court. Furthermore, no opinion of counsel has been or will be rendered with respect to any tax considerations of the Share Consolidation or the Redomiciliation, or any related transactions. The use of words such as "will" and "should" in any tax-related discussion contained in this summary is not intended to convey a particular level of comfort. The following discussion assumes the form of the Share Consolidation or the Redomiciliation and any related transactions will be respected by the IRS or a court if challenged by the IRS. If the tax considerations described below are successfully challenged, the tax consequences of the Share Consolidation or the Redomiciliation may differ from the tax consequences described below.

If a partnership (or any entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds Common Shares, the tax treatment of such partnership and a person treated as a partner of such partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding any Common Shares and persons that are treated as partners of such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of the Share Consolidation or the Redomiciliation.

THE FOLLOWING IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT PURPORT TO BE A COMPREHENSIVE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SHARE CONSOLIDATION OR THE REDOMICILIATION FOR HOLDERS OF COMMON SHARES. ALL HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE SHARE CONSOLIDATION OR THE REDOMICILIATION IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX LAWS.

U.S. Holders

For purposes of this discussion, a U.S. Holder means a beneficial owner of Common Shares who or that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States,
- a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or any state thereof (including the District of Columbia),
- an estate whose income is subject to U.S. federal income tax regardless of its source, or
- a trust if (a) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust; or (b) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

Effects of the Share Consolidation on U.S. Holders of Common Shares

U.S. Holders of Common Shares generally will not recognize gain or loss on the Share Consolidation for U.S. federal income tax purposes, except as described below under "*Cash in Lieu of Fractional Common Share*". A U.S. Holder's aggregate tax basis in Common Shares received pursuant to the Share Consolidation will equal the U.S. Holder's aggregate tax basis in the Common Shares exchanged therefor. A U.S. Holder's holding period in Common Shares received pursuant the Share Consolidation will generally include the U.S. Holder's holding period in the Common Shares exchanged therefor. U.S. Holders who hold Common Shares with differing bases or holding periods should consult their tax advisors with regard to identifying the bases or holding periods of the particular Common Shares received in the Share Consolidation.

Cash in Lieu of Fractional Common Share

Any U.S. Holder of record holding fewer than one whole Common Share after giving effect to the Share Consolidation will receive a cash payment of C$4.75 for each pre-Share Consolidation Common Share held by such U.S. Holder in lieu of any post-Share Consolidation Common Shares, up to a maximum cash payment of C$23.75 per U.S. Holder. Any U.S. Holder that receives such a cash payment in the Share Consolidation with respect to any pre-Share Consolidation Common Share held by such U.S. Holder will generally recognize gain or loss in an amount equal to the difference between the amount of cash received in the Share Consolidation and the U.S. Holder's adjusted tax basis in the Common Shares deemed surrendered in exchange therefor. Unless the U.S. Holder has made a valid QEF Election (as discussed below) with respect to its Common Shares for the 2024 taxable year, any such gain will be ordinary income. If the U.S. Holder has made a valid QEF Election with respect to its Common Shares for the 2024 taxable year, any such gain will generally be capital gain. Capital gain will generally be treated as long-term capital gain if the U.S. Holder's holding period in its Common Shares is more than one year on the date of the Share Consolidation. Long-term capital gain recognized by certain non-corporate U.S. Holders, including individuals, is currently subject to tax at a reduced rate.

Treatment of the Redomiciliation.

It is intended that the Redomiciliation qualify as a "reorganization" within the meaning of Section 368 of the Code. If the IRS were to successfully challenge the "reorganization" status of the Redomiciliation, the tax consequences would differ from those set forth herein, and holders of Common Shares may be subject to U.S. federal income tax upon the receipt of Westaim Delaware Shares in the Redomiciliation.

The following discussion assumes that the Redomiciliation will qualify as a "reorganization" within the meaning of section 368(a) of the Code.

Effects of the Redomiciliation on U.S. Holders of Common Shares

U.S. Holders of Common Shares generally will not recognize gain or loss on the Redomiciliation for U.S. federal income tax purposes, except as provided below under the caption heading "*Effects of Section 367 to U.S. Holders of the Common Shares*" and "*PFIC Considerations*." The taxable year of the Company will end for U.S. federal income tax purposes with the close of the date of the Redomiciliation.

A U.S. Holder's aggregate tax basis in Westaim Delaware Shares received pursuant to the Redomiciliation will equal the U.S. Holder's aggregate tax basis in the Common Shares exchanged therefor, including any increase in such resulting from the U.S. Holder's inclusion of the "all earnings and profits ("**E&P**") amount" attributable to its Common Shares, as described further below. If the U.S. Holder does not make a valid QEF Election with respect to its Common Shares for the 2024 taxable year (as discussed further below), the U.S. Holder's basis in its Westaim Delaware Shares received in the Redomiciliation will be increased by any gain recognized in the Redomiciliation.

A U.S. Holder's holding period in Westaim Delaware Shares received pursuant the Redomiciliation will generally include the U.S. Holder's holding period in the Common Shares exchanged therefor.

U.S. Holders who hold Common Shares with differing bases or holding periods should consult their tax advisors with regard to identifying the bases or holding periods of the particular Westaim Delaware Shares received in the Redomiciliation.

Effects of Section 367 to U.S. Holders of the Common Shares

Section 367 of the Code applies to certain non-recognition transactions involving foreign corporations, including the Redomiciliation. Section 367 of the Code imposes income tax on certain U.S. persons in connection with transactions that would otherwise be tax-free. Section 367(b) of the Code will generally apply to U.S. Holders of Common Shares on the date of the Redomiciliation.

(a) U.S. Holders That Own Less Than 10 Percent of the Company

A U.S. Holder that, on the date of the Redomiciliation, beneficially owns (directly, indirectly or constructively) Common Shares with a fair market value of US$50,000 or more but less than 10% of the total combined voting power of all classes of Common Shares entitled to vote and less than 10% of the total combined value of all classes of Common Shares will recognize gain (but not loss) with respect to the Redomiciliation or, in the alternative, may elect to recognize the "all E&P" amount attributable to such U.S. Holder as described below. Complex attribution rules apply in determining whether a U.S. Holder constructively owns Common Shares for purposes of these rules. All U.S. Holders are urged to consult their tax advisors with respect to these attribution rules.

Unless a U.S. Holder makes the "all E&P" election as described below, such U.S. Holder generally must recognize gain (but not loss) with respect to Common Shares exchanged in the Redomiciliation in an amount equal to the excess of the fair market value of the Westaim Delaware Shares received in the Redomiciliation over the U.S. Holder's adjusted tax basis in the Common Shares deemed surrendered in exchange therefor. If a U.S. Holder acquired different blocks of Common Shares at different times or at different prices, any gain will be determined separately with respect to each block of Common Shares. Unless the U.S. Holder has made a valid QEF Election (as discussed below) with respect to its Common Shares for the 2024 taxable year, any such gain will be ordinary income. If the U.S. Holder has made a valid QEF Election with respect to its Common Shares for the 2024 taxable year, any such gain will generally be capital gain. Capital gain will generally be treated as long-term capital gain if the U.S. Holder's holding period in its Common Shares is more than one year on the date of the Redomiciliation. Long-term capital gain recognized by certain non-corporate U.S. Holders, including individuals, is currently subject to tax at a reduced rate.

In lieu of recognizing any gain as described in the preceding paragraph, a U.S. Holder may elect to include in income, as a dividend, the all E&P amount attributable to its Common Shares under Section 367(b). There are, however, conditions for making this election. First, such election may only be made if the Company (or Westaim Delaware, as the Company's successor-in-interest) has provided the U.S. Holder information to substantiate the U.S. Holder's all E&P amount with respect to its Common Shares. Second, the U.S. Holder must provide notice to the IRS of such election, which notice generally must include, among other things:

- a statement that the Redomiciliation is a Section 367(b) exchange;
- a complete description of the Redomiciliation;
- a description of any stock, securities, or other consideration transferred or received in the Redomiciliation;
- a statement describing any amount (or amounts) required, under the Treasury Regulations under Section 367(b) of the Code, to be taken into account as income or loss or as an adjustment to basis, E&P, or other tax attributes as a result of the Redomiciliation;
- any information that is or would be required to be furnished with a U.S. federal income tax return pursuant to Treasury Regulations or other guidance under Sections 354 or 368 of the Code (whether or not a U.S. federal income tax return is required to be filed), if such information has not otherwise been provided by the U.S. Holder;
- any information required to be furnished with respect to the Redomiciliation under Sections 6038, 6038A, 6038B, 6038C or 6046 of the Code, or the Treasury Regulations under those Sections, if such information has not otherwise been provided by the U.S. Holder; and
- a statement that the U.S. Holder is making the election described in Treasury Regulations Section 1.367(b)-3(c)(3) that includes (A) a copy of the information that the U.S. Holder received from the Company (or Westaim Delaware, as the Company's successor-in-interest) establishing and substantiating the U.S. Holder's all E&P amount with respect to the U.S. Holder's Common Shares, and (B) a representation that the U.S. Holder has notified the Company (or Westaim Delaware, as the Company's successor-in-interest) that the U.S. Holder is making such election.

In addition, the election must be attached by an electing U.S. Holder to such holder's timely filed U.S. federal income tax return (including extensions) for the taxable year of the U.S. Holder that includes the Redomiciliation, and the U.S. Holder must send notice of making the election to the Company (or Westaim Delaware, as the Company's successor-in-interest) no later than the date such tax return is filed. The Company has estimated its E&P for the years to December 31, 2022. The Company is in the process of estimating E&P for fiscal year 2023 and will estimate 2024 E&P as soon as this information becomes available. Based on the 2022 estimate, the Company believes it has cumulative E&P through to December 31, 2024. However, until all calculations are complete, there can be no assurance the IRS would agree with the Company's E&P calculations. If the IRS does not agree with the Company's E&P calculations, U.S. Holders may owe additional U.S. federal income taxes as a result of the Redomiciliation. The Company intends to provide on the investor relations section of its website information regarding the Company's E&P for the years through December 31, 2024 (the expected date of the Redomiciliation) once the information is available.

To the extent that a U.S. Holder has made a valid QEF Election with respect to its Common Shares and has previously included its share of such E&P in gross income as a result of such QEF Election, the amount previously included is excluded from the "all E&P amount". If, under the PFIC rules described below, a U.S. Holder is required to recognize gain with respect to its Common Shares in the Redomiciliation, only the excess, if any, of the U.S. Holder's "all earnings and profits amount" over the gain realized is taxable as described in this subsection.

A U.S. Holder is not entitled to claim a deduction for dividends received with respect to a deemed dividend in respect of the U.S. Holder's "all E&P amount." Moreover, such deemed dividend is not eligible for the reduced rate of taxation that applies to "qualified dividend income" under Section 1(h)(11) of the Code. The deemed dividend is considered to be received immediately before the U.S. Holder's receipt of Westaim Delaware Shares in exchange for its Common Shares, and the U.S. Holder's basis in its Common Shares exchanged is increased by the amount of the deemed dividend.

(b) U.S. Holders That Own Common Shares with a Fair Market Value of Less Than US$50,000

A U.S. Holder who, on the date of the Redomiciliation, owns (directly, indirectly or constructively) Common Shares with a fair market value less than US$50,000, generally will not recognize any gain or loss under Section 367 of the Code in connection with the Redomiciliation, and will not include any part of the "all E&P amount" of the Company in income. However, if the U.S. Holder does not make a valid QEF Election with respect to its Common Shares for the 2024 taxable year, the U.S. Holder may recognize gain under the PFIC rules described below.

All U.S. Holders of Common Shares are urged to consult their tax advisors with respect to the effect of Section 367 of the Code to their particular circumstances.

PFIC Considerations

Westaim Delaware will not be a foreign corporation subject to the passive foreign investment company ("**PFIC**") rules. However, if the Company is classified as a PFIC for the taxable year that includes the Redomiciliation or for a prior taxable year, dispositions of Common Shares pursuant to the Redomiciliation may be subject to the PFIC rules, as described below.

(a) Definition of a PFIC

In general, a non-U.S. corporation, such as the Company, will be a PFIC if, for any taxable year (a) at least 75% or more of the Company's gross income for the taxable year is passive income or (b) at least 50% or more of the value, determined on the basis of a quarterly average, of the Company's assets is attributable to assets that produce or are held for the production of passive income. Passive income generally includes dividends, interest, rents and royalties (other than certain rents and royalties that are derived in the active conduct of a trade or business) and the excess of gains over losses from the disposition of passive assets. Assets that produce or are held for the production of passive income generally include cash, even if held as working capital or raised in a public offering, marketable securities, and other assets that are readily convertible into cash. Generally, in determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account. Furthermore, a U.S. Holder will generally be treated as owning a proportionate share of the stock of any subsidiary of a PFIC that is itself classified as a PFIC. If a foreign corporation

is not a PFIC, a U.S. Holder is generally not treated as owning a proportionate share of the stock of any subsidiary of the foreign corporation that is a PFIC unless the U.S. Holder owns, directly or indirectly, 50% or more of the stock of the foreign corporation. Certain adverse tax consequences, described further below, may apply to a U.S. Holder of a PFIC, unless certain elections are made.

(b) PFIC Status of the Company

While the Company cannot express a definitive view about its PFIC status for the current taxable year or any prior taxable year, based on the composition of its income and valuation of its assets, the manner in which it conducts its business, relevant market data and its current expectations regarding the value and nature of its assets (including its intellectual property) and the sources and nature of its income, the Company expects that it will be a PFIC for the taxable year that includes the Redomiciliation, though the Company does not believe that it has been a PFIC in any prior taxable year. Should the Redomiciliation occur on or prior to December 31, 2024, the Company should not be a PFIC in 2025. However, no assurances can be provided regarding the Company's PFIC status for the taxable year that includes the Redomiciliation, or any prior year. The Company's status as a PFIC is a fact-intensive inquiry made on an annual basis that depends on the composition of its income and the composition and value of its assets (which, may be determined in large part by reference to the market value of the Common Shares, which may be volatile) from time to time. The IRS or courts may not agree with the methodology of the Company's PFIC determination, and the Company's status as a PFIC during the taxable year that includes the Redomiciliation cannot be determined until the end of such taxable year.

Each U.S. person that is an investor of a PFIC is generally required to file an annual information return on IRS Form 8621 containing such information as the U.S. Department of the Treasury may require. The failure to file IRS Form 8621 could result in the imposition of penalties and the extension of the statute of limitations with respect to U.S. federal income tax.

(c) Effects of PFIC Rules on the Redomiciliation

Section 1291(f) of the Code provides that, to the extent provided in Treasury Regulations, a U.S. person who disposes of stock of an entity that was a PFIC for any taxable year during the U.S. person's holding period recognizes gain notwithstanding any other provision of the Code. Treasury Regulations under Section 1291(f) have been proposed with a retroactive effective date that would include the Redomiciliation. However, such regulations remain proposed, and no final Treasury Regulations are currently in effect under Section 1291(f). The IRS could finalize such proposed regulations, including with effect retroactive to a period that includes the Redomiciliation, or the IRS could take the position that Section 1291(f) of the Code is effective even in the absence of finalized Treasury Regulations. Accordingly, no assurances can be provided as to the potential applicability of Section 1291(f) of the Code to the Redomiciliation. If applicable, the proposed regulations require a U.S. Holder to recognize gain with respect to its Common Shares upon the Redomiciliation, if the Company was classified as a PFIC at any time during such U.S. Holder's holding period in such Common Shares and the U.S. Holder had not made (a) a "qualified electing fund" election under Section 1295 of the Code for the first taxable year in which the U.S. Holder owned Common Shares or in which the Company was a PFIC, whichever is later (a "**QEF Election**"), or (b) a "mark-to-market" election under Section 1296 of the Code with respect to such holder's shares (a "**Mark-to-Market Election**"). Under these rules:

- the U.S. Holder's gain would be allocated ratably over the U.S. Holder's holding period for such holder's Common Shares;
- the amount of gain allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain, or to the period in the U.S. Holder's holding period before the first day of the first taxable year in which the Company was a PFIC, would be taxed as ordinary income;
- the amount of gain allocated to other taxable years (or portions thereof) of the U.S. Holder and included in such holder's holding period would be taxed at the highest tax rate in effect for that year applicable to the U.S. Holder; and

- the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax attributable to each such other taxable year of the U.S. Holder.

Because the Company does not expect that it will be treated as a PFIC for any taxable year of the Company prior to the taxable year of the Redomiciliation, no amount of gain is expected to be allocated under the third bullet point above, and thus no U.S. Holder is expected to be liable for tax as a result of the Redomiciliation at a higher rate than such U.S. Holder's marginal ordinary income tax rate, nor is any U.S. Holder expected to be liable for the interest charge described in the fourth bullet point above. However, no assurances can be provided regarding the Company's PFIC status for the taxable year that includes the Redomiciliation, or any prior year.

If, under the PFIC rules described herein, a U.S. Holder is required to recognize gain with respect to its Common Shares in the Redomiciliation, only the excess, if any, of the U.S. Holder's "all E&P amount" over the gain realized is taxable as described above under the heading "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – U.S. Holders – Effects of Section 367 to U.S. Holders of the Common Shares*" above.

(d) QEF Election

A U.S. Holder may avoid application of certain of the PFIC tax consequences described above by making or by having made a timely election to treat the Company or such subsidiary, as applicable, as a "qualified electing fund" ("**QEF**") (if eligible to do so). A QEF Election applies only to the foreign corporation for which an election is made. Therefore, if a U.S. Holder has made an election to treat the Company as a QEF, that election applies only to stock in the Company and not to the stock in any subsidiary which the U.S. Holder is treated as owning by virtue of its ownership of stock in the Company. An additional election is required to be made in order to treat any such subsidiary as a QEF.

A U.S. Holder that has made a QEF Election with respect to the Company or any of its subsidiaries is required to include in income its *pro rata* share of the Company's or such subsidiary's, as applicable, respective net capital gains (as long-term capital gain) and ordinary earnings (as ordinary income), on a current basis, in each case whether or not distributed, in the taxable year of the U.S. Holder in which or within which the Company's or such subsidiary's taxable year ends, as applicable. The basis of the U.S. Holder's Common Shares is increased by any amount which is included in the U.S. Holder's income in accordance with the preceding sentence. The QEF Election is made on a shareholder-by-shareholder basis and, once made, can be revoked only with the consent of the IRS.

If the U.S. Holder makes a QEF Election with respect to its Common Shares pursuant to the PFIC rules with respect to the U.S. Holder for all taxable years during which the Company is or was a PFIC that are included wholly or partly in the U.S. Holder's holding period of the Common Shares, then Section 1291(f) of the Code would not apply to the U.S. Holder's exchange of Common Shares for Westaim Delaware Shares pursuant to the Redomiciliation, and the U.S. Holder would not generally be required to recognize gain or loss in the Redomiciliation under the PFIC rules. However, the rules described above under Section 367 of the Code may apply.

(e) Mark-to-Market Election

If a U.S. Holder makes a Mark-to-Market Election with respect to its Common Shares, it recognizes as ordinary income any excess of the fair market value of the Common Shares at the end of each taxable year over the U.S. Holder's adjusted tax basis in the Common Shares, and recognizes an ordinary loss in respect of any excess of the U.S. Holder's adjusted tax basis of the Common Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder has made the Mark-to-Market Election, the U.S. Holder's tax basis in its Common Shares is adjusted to reflect the income or loss amounts recognized.

It is unclear whether a Mark-to-Market Election may be made with respect to lower-tier PFICs, unless shares of such lower-tier PFIC are themselves "marketable." As a result, even if a U.S. Holder validly makes a Mark-to-Market Election with respect to its Common Shares, the U.S. Holder may be subject to the PFIC rules as a result of the Redomiciliation, as described above, with respect to its indirect interest in any subsidiary of the Company if such subsidiary is treated as a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors to

determine whether a Mark-to-Market Election with respect to the Company or any subsidiary would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances.

The U.S. federal income tax rules relating to PFICs are complex. U.S. Holders are strongly urged to consult their tax advisors with respect to the impact of PFIC status on the deemed disposition of Common Shares pursuant to the Redomiciliation and the IRS information reporting obligations with respect to the deemed disposition of Common Shares and the consequences of the Redomiciliation relating thereto.

Non-U.S. Holders

The following describes certain U.S. federal income tax considerations relating to the ownership and disposition of Westaim Delaware Shares by a non-U.S. Holder (as defined below) after the Redomiciliation. For purposes of this discussion, a "non-U.S. Holder" means a beneficial owner of Westaim Delaware Shares that is, for U.S. federal income tax purposes, not a U.S. Holder (as defined above) or an entity or arrangement classified as a partnership for U.S. federal income tax purposes.

(a) Distributions

While the Company has no current plans to pay dividends for the foreseeable future, in general, any distributions of cash or property made to a non-U.S. Holder on Westaim Delaware Shares, to the extent paid out of Westaim Delaware's current or accumulated E&P (as determined under U.S. federal income tax principles), will constitute dividends for U.S. federal income tax purposes and, provided such dividends are not effectively connected with the non-U.S. Holder's conduct of a trade or business within the United States, will be subject to withholding tax on the gross amount of the dividend at a rate of 30%, unless such non-U.S. Holder is eligible for a reduced rate of withholding tax under an applicable income tax treaty and provides proper certification of its eligibility for such reduced rate (usually on an IRS Form W-8BEN or W-8BEN-E, as applicable). Any distribution in excess of Westaim Delaware's current and accumulated E&P will be treated first as reducing (but not below zero) the non-U.S. Holder's adjusted tax basis in its stock of Westaim Delaware and then, to the extent such distribution exceeds the non-U.S. Holder's adjusted tax basis, as gain realized from the sale or other disposition of the Westaim Delaware Shares, which will be treated as described under "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations – Non-U.S. Holders – Gain on Sale, Exchange or Other Taxable Disposition of Westaim Delaware Shares*" below. If Westaim Delaware is unable to determine, at a time reasonably close to the date of payment of a distribution on Westaim Delaware Shares, what portion, if any, of the distribution will constitute a dividend for U.S. federal income tax purposes, then Westaim Delaware may withhold U.S. federal income tax on the entire amount of any distribution at the 30% rate (subject to reduction by an applicable income tax treaty). If Westaim Delaware or another withholding agent withholds tax in excess of a non-U.S. Holder's actual U.S. federal income tax liability, the non-U.S. Holder may be entitled to a refund or credit of any excess tax withheld by timely filing an appropriate claim with the IRS.

Dividends paid by Westaim Delaware to a non-U.S. Holder that are effectively connected with such non-U.S. Holder's conduct of a trade or business within the United States (and, if a tax treaty so provides, are attributable to a permanent establishment or fixed base maintained by the non-U.S. Holder within the United States) will generally not be subject to U.S. withholding tax, provided such non-U.S. Holder complies with certain certification and disclosure requirements (usually by providing an IRS Form W-8ECI). Instead, such dividends will generally be subject to U.S. federal income tax, net of certain deductions, at the same graduated individual or corporate rates applicable to U.S. Holders. If the non-U.S. Holder is a corporation, dividends that are effectively connected income may also be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such non-U.S. Holder's country of residence.

Non-U.S. Holders are urged to consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

A non-U.S. Holder that is eligible for such lower rate of U.S. withholding tax as may be specified under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS.

Any documentation provided to an applicable withholding agent may need to be updated in certain circumstances. The certification requirements described above also may require a non-U.S. Holder to provide a U.S. taxpayer identification number.

(b) Gain on Sale, Exchange or Other Taxable Disposition of Westaim Delaware Shares

A non-U.S. Holder will generally not be subject to U.S. federal income tax on gain realized on a sale or other disposition of Westaim Delaware Shares unless:

- such non-U.S. Holder is an individual who was present in the United States for 183 days or more in the taxable year of the disposition and certain other requirements are met, in which case any gain realized would generally be subject to a flat 30% U.S. federal income tax on the amount by which the non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the disposition (without taking into account any capital loss carryovers);

- the gain is effectively connected with the conduct of a trade or business of the non-U.S. Holder in the United States (and, if an applicable treaty so requires, is attributable to a permanent establishment or fixed base maintained by the non-U.S. Holder in the United States), in which case the gain would be subject to U.S. federal income tax on a net income basis at the regular graduated rates and in the manner applicable to U.S. Holders and, if the non-U.S. Holder is a corporation, an additional "branch profits tax" may also apply at a rate of 30%, or a lower rate as may be specified by an applicable income tax treaty; or

- Westaim Delaware is or has been a "U.S. real property holding corporation" at any time within the five-year period preceding the disposition or the non-U.S. Holder's holding period, whichever period is shorter, and either (A) the Westaim Delaware Shares have ceased to be regularly traded on an established securities market or (B) the non-U.S. Holder has owned or is deemed to have owned, at any time within the five-year period preceding the disposition or the non-U.S. Holder's holding period, whichever period is shorter, more than 5% of Westaim Delaware Shares.

If the third bullet point above applies to a non-U.S. Holder, gain recognized by such holder on the sale, exchange or other disposition of Westaim Delaware Shares will be subject to tax at generally applicable U.S. federal income tax rates. In addition, if the Westaim Delaware Shares have ceased to be regularly traded on an established securities market, a buyer of such stock from a non-U.S. Holder may be required to withhold U.S. income tax at a rate of 15% of the amount realized upon such disposition. Westaim Delaware would be classified as a U.S. real property holding corporation if the fair market value of its "United States real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business, as determined for U.S. federal income tax purposes. We do not expect Westaim Delaware to be classified as a U.S. real property holding corporation following the Redomiciliation. However, such determination is factual in nature and subject to change and no assurance can be provided as to whether Westaim Delaware will be a U.S. real property holding corporation with respect to a non-U.S. holder following the Redomiciliation or at any future time.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code and the Treasury Regulations and administrative guidance promulgated thereunder (commonly referred as the "Foreign Account Tax Compliance Act" or "FATCA") generally impose withholding at a rate of 30% in certain circumstances on dividends in respect of securities (including Westaim Delaware Shares) which are held by or through certain foreign financial institutions (including investment funds), unless any such institution (a) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (b) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which Westaim Delaware Shares are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of Westaim Delaware Shares

held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exceptions will generally be subject to withholding at a rate of 30%, unless such entity either (a) certifies to the applicable withholding agent that such entity does not have any "substantial United States owners" or (b) provides certain information regarding the entity's "substantial United States owners," which will in turn be provided to the U.S. Department of Treasury. All holders should consult their tax advisors regarding the possible implications of FATCA on their investment in Westaim Delaware Shares.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Voting Securities

The voting securities of the Company consist of an unlimited number of Common Shares. As of the Record Date, the Company had issued and outstanding 128,172,385 Common Shares.

The close of business on November 11, 2024 has been fixed as the Record Date for the determination of Shareholders entitled to receive notice of the Meeting and any adjournment(s) or postponement(s) thereof. Accordingly, only Registered Shareholders on the Record Date are entitled to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

Other than as set out herein, each Shareholder is entitled to one vote on all matters that come before the Meeting for each Common Share shown as registered in his, her or its name on the list of Shareholders which is available for inspection during usual business hours at Computershare Trust Company of Canada, Home Oil Tower, 800, 324-8th Avenue S.W., Calgary, Alberta T2P 2Z2. The list of Shareholders will be prepared not later than ten days after the Record Date. If a person has acquired ownership of Common Shares since that date, he, she or it may establish such ownership and demand, not later than ten days before the Meeting, that his, her or its name be included in the list of Shareholders.

There are no cumulative or similar voting rights attached to the Common Shares.

Principal Holders of Voting Securities

To the knowledge of the directors and officers of the Company, no person beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding voting securities of the Company.

INFORMATION CONCERNING THE COMPANY

The Westaim Corporation is a Canadian investment company specializing in providing long-term capital to businesses operating primarily within the financial services industry. The Company invests directly and indirectly through acquisitions, joint ventures and other arrangements, with the objective of providing Shareholders with capital appreciation and real wealth preservation. The Company's strategy is to pursue investment opportunities with a focus towards the financial services industry and to grow shareholder value over the long term.

Description of Share Capital

The authorized capital of the Company consists of an unlimited number of Common Shares, an unlimited number of Class A preferred shares, issuable in series and an unlimited number of Class B preferred shares, issuable in series. On February 8, 2010, the Company filed articles of amendment to create a series of Class A preferred shares designated as Series 1 Class A non-voting, participating, convertible preferred shares (the "**Non-Voting Shares**"). The terms of the Non-Voting Shares were revised on February 26, 2010 and September 11, 2012.

As of the date hereof, the Company had issued and outstanding 128,172,385 Common Shares. No Non-Voting Shares or other series of Class A preferred shares or Class B preferred shares are outstanding.

(a) Common Shares

Each Common Share carries one vote at all meetings of Shareholders, is entitled to receive dividends as and when declared by the directors, and, subject to the prior rights of the holders of the Non-Voting Shares, is entitled to a pro rata share of the remaining property and assets of the Company distributable to the holders of the Common Shares and the Non-Voting Shares, upon any liquidation, dissolution or winding up of the Company.

(b) Class A Preferred Shares

The Class A preferred shares of each series shall rank equally with the Class A preferred shares of every other series with respect to dividends and return of capital, and shall be entitled to preference over the Class B preferred shares and Common Shares and over any other shares ranking junior to the Class A preferred shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidating, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs. Except as required by Law or unless provision is made in the Company's articles, in general, the holders of the Class A preferred shares as a class shall not be entitled to receive notice of, attend or vote at any meeting of the shareholders of the Company.

(c) Non-Voting Shares

Any holder of Non-Voting Shares may convert any or all Non-Voting Shares held by such holder into Common Shares based on the then applicable exercise number which at the date hereof is one Common Share for each Non-Voting Share. The Non-Voting Shares: (a) rank equally with the Class A preferred shares of every other series with respect to dividends and return of capital; (b) are entitled to such dividends as the directors may declare; provided, however, that no dividend on the Non-Voting Shares shall be declared unless the directors shall declare an equal dividend on the Common Shares; and (c) are entitled to a preference as to $0.0001 per Non-Voting Share over the Class B preferred shares and the Common Shares and over any other shares ranking junior to the Non-Voting Shares, following which the Non-Voting Shares shall rank equally with the Common Shares with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of Westaim, whether voluntary or involuntary, or any other distribution of the assets of Westaim for the purpose of winding up its affairs. Except as required by law, the holders of the Non-Voting Shares as a series shall not be entitled to receive notice of, attend or vote at any meeting of the shareholders of Westaim.

(d) Class B Preferred Shares

Subject to the prior rights of the Class A preferred shares, the Class B preferred shares of each series shall rank equally with the Class B preferred shares of every other series with respect to dividends and return of capital, and shall be entitled to preference over the Common Shares and over any other shares ranking junior to the Class B preferred shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidating, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, but are subject to the preference of the Class A preferred shares. Except as required by law or unless provision is made in the Company's articles, in general, the holders of the Class B preferred shares as a class shall not be entitled to receive notice of, attend or vote at any meeting of the shareholders of Westaim.

Trading Price and Volume

The Common Shares are currently listed and posted for trading on the TSXV under the symbol "WED". The following table sets forth the reported high and low prices and the aggregate volume of trading of the Common Shares on the TSXV for the periods indicated:

Month	Monthly High Price (C$)	Monthly Low Price (C$)	Aggregate Volume
November 2023	3.89	3.59	5,753,939
December 2023	3.92	3.73	1,460,351
January 2024	3.78	3.61	2,541,108
February 2024	3.70	3.38	2,749,134
March 2024	3.76	3.53	1,770,536
April 2024	3.78	3.50	3,153,127
May 2024	4.26	3.72	2,819,396
June 2024	4.24	3.93	1,605,045
July 2024	4.11	3.90	750,454
August 2024	4.09	3.88	2,344,640
September 2024	4.06	3.80	1,451,191
October 2024	5.00	3.96	11,955,944
November 1 – 18 2024	5.11	4.84	1,673,718

On October 8, 2024, the last trading day prior to the announcement of the Transactions, the closing price of the Common Shares on the TSXV was C$4.02. On November 18, 2024, the last trading day prior to the date of this Information Circular, the closing price of the Common Shares on the TSXV was $4.95. None of the Company's other securities were listed for trading or quoted on any exchange or market.

Ownership of Securities of the Company

The following table sets out the number, designation and percentage of the outstanding securities of any class of securities of the Company beneficially owned or over which control or direction is exercised: (a) by each director and officer of the Company, and (b) if known by the Company after reasonable enquiry, by (i) each associate or affiliate of an insider of the Company; (ii) each associate or affiliate of the Company; (iii) an insider of the Company, other than a director or officer of the Company, and (iv) each person acting jointly or in concert with the Company.

Name of Individual	Number and Type of Security (and percentage of class)
Ian W. Delaney	8,250,883 Common Shares (6.44%) 646,850 RSUs (18.72%) 44,000 DSUs (3.64%) 927,036 SARs (21.37%) 1,708,232 Options (22.48%)
John W. Gildner	157,967 Common Shares (0.12%) 474,405 DSUs (39.24%)
J. Cameron MacDonald	3,451,250 Common Shares (2.69%) 1,293,701 RSUs (37.44%) 1,854,073 SARs (42.74%) 3,086,463 Options (40.62%)
Lisa Mazzocco	148,169 DSUs (12.26%)
Kevin E. Parker	nil
Michael Siegel	48,275 DSUs (3.99%)
Bruce V. Walter	242,816 Common Shares (0.19%) 388,310 DSUs (32.12%)

Name of Individual	Number and Type of Security (and percentage of class)
Robert Kittel	1,204,824 Common Shares (0.94%) 995,276 RSUs (28.81%) 1,390,555 SARs (32.05%) 2,314,847 Options (30.37%)
Glenn MacNeil	315,000 Common Shares (0.25%) 329,528 RSUs (9.54%) 139,055 SARs (3.21%) 257,206 Options (3.39%)
Daniel Zwirn	917,430 Common Shares (0.72%)
Lawrence Cutler	151,687 Common Shares (0.12%)

Commitments to Acquire Securities of the Company

Except as otherwise disclosed in this Information Circular, there are no agreements, commitments or understandings to acquire securities of the Company by (a) the Company, (b) any directors or officers of the Company or (c) to the knowledge of the directors and officers of the Company, after reasonable enquiry, by any insider of the Company (other than a director or officer) or any associate or affiliate of such insider or any associate or affiliate of the Company or any person or company acting jointly or in concert with the Company.

Acceptance of Transactions and Benefits

To the extent that any of the votes of the aforementioned persons under the above heading "Commitments to Acquire Securities of the Company" are not required to be excluded in accordance with the policies of the TSXV and/or MI 61-101, the Company expects that the directors and officers of the Company will vote in favour of the Approval Resolutions. See also "*Summary Of Key Documents And Agreements – Voting and Support Agreements*". The Company is not aware of any direct or indirect benefits to such persons for accepting or rejecting the Approval Resolutions, or as a result of any subsequent transactions or material changes, other than those disclosed elsewhere in this Information Circular. See "*Business Of The Special Meeting – The Arena Reorganization*".

Material Changes in the Affairs of the Company and Other Benefits

Except as publicly disclosed or otherwise described in this Information Circular, the directors and officers of the Company are not aware of any plans or proposals for material changes in the affairs of the Company.

Except as disclosed elsewhere in this Information Circular, the directors and officers of the Company are not aware of any specific benefit, direct or indirect, as a result of the material changes or subsequent transactions contemplated in this Information Circular.

Arrangements Between the Company and Security Holders

Except as disclosed elsewhere in this Information Circular, the Company has not made and is not proposing to make any agreement, commitment or understanding to a security holder of the Company relating to the Transactions. See "*Summary Of Key Documents And Agreements*".

Previous Purchases and Sales by the Company

No Common Shares have been purchased or sold by the Company during the 12-month period prior to the date hereof other than under the Company's normal course issuer bid which expired on September 30, 2024 (the "**2023/2024 NCIB**"). Under the 2023/2024 NCIB, the Company repurchased and cancelled 7,346,000 Common Shares at a weighted average purchase price of approximately US$2.6996 (C$3.6742) per Common Share including commissions.

Previous Distributions

Except as disclosed in the table below, no Common Shares, Options, SARs, DSUs or RSUs were distributed during the five-year period preceding the date of this Information Circular.

Date	Type of Security	Number of Securities	Issuance / Exercise Price per Security	Aggregate Proceeds to the Company
December 31, 2019	DSUs	34,436	$2.65	-
March 31, 2020	DSUs	43,105	$1.74	-
June 30, 2020	DSUs	63,209	$2.07	-
September 30, 2020	DSUs	56,395	$2.28	-
December 31, 2020	DSUs	49,740	$2.49	-
March 31, 2021	DSUs	58,585	$2.68	-
June 30, 2021	DSUs	58,149	$2.67	-
September 30, 2021	DSUs	58,517	$2.70	-
December 31, 2021	DSUs	63,124	$2.50	-
March 31, 2022	DSUs	66,126	$2.36	-
June 30, 2022	DSUs	66,255	$2.42	-
September 30, 2022	DSUs	65,404	$2.61	-
December 31, 2022	DSUs	63,745	$2.63	-
January 23, 2023	RSUs	480,000	-	-
March 31, 2023	DSUs	56,807	$2.95	-
April 22, 2023	DSUs	4,035	$2.98	-
June 30, 2023	DSUs	32,078	$3.60	-
August 23, 2023	Common Shares(1)	222,656	$3.25(1)	-(2)
August 23, 2023	Common Shares(3)	17,647	$3.25(3)	$57,353
September 30, 2023	DSUs	33,353	$3.76	-
December 28, 2023	SARs	4,338,530	$3.83	-
December 29, 2023	Common Shares(4)	240,303	$3.00(4)	$79,326
December 31, 2023	DSUs	31,964	$3.76	-
March 31, 2024	DSUs	63,535	$3.70	-
June 30, 2024	DSUs	58,723	$4.05	-
September 30, 2024	DSUs	59,053	$3.98	-

Notes:

(1) Issued on exercise of Options which had an exercise price of $3.25 per Common Share.
(2) These Options were net exercised, and as a result, no proceeds were received by the Company.
(3) Issued on exercise of Options which had an exercise price of $3.25 per Common Share.
(4) Issued on exercise of Options which had an exercise price of $3.00 per Common Share.

Dividend Policy

The Company has not declared or paid any cash dividends on its securities during the 24-month period preceding the date of this Information Circular. The Company does not intend to declare or pay dividends or other distributions prior to the completion of the Transactions.

The Company currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Common Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

Auditor

Deloitte LLP in Canada is currently the auditor of the Company.

Other Material Facts

Other than disclosed in this Information Circular, there are no other material facts concerning the securities of the Company and no other matters not disclosed in this Information Circular that have not been previously generally disclosed and are known to the Company and that would reasonably be expected to affect the decision of the Shareholders to vote for or against the Approval Resolutions.

INFORMATION CONCERNING THE INVESTOR

The Investor is a newly formed entity and affiliate of CC Capital. CC Capital is a private investment firm based in New York. Founded in 2015, the Investor focuses on investing in and operating high-quality businesses with a long-term view and evaluates investments based on an underlying anticipation of a holding-period beyond that of a typical private equity firm. Its investments are funded through a variety of permanent capital sources, including limited partnerships.

CC Capital is led by its founder and Senior Managing Director, Chinh Chu.

Mr. Chu exercises ultimate beneficial ownership and control over the Investor.

RISK FACTORS

Shareholders should carefully consider the risks and uncertainties related to the Transactions and the Company described below before determining whether to vote in favour of the Approval Resolutions. The risks and uncertainties described below are those believed to be material, but they may not be the only ones related to the Transactions and the Company. If any of these risks, or any other risks and uncertainties that have not yet been identified by the Company or that the Company currently considers not to be material, actually occur or become material risks, the business, prospects, financial condition, results of operations and cash flows of the Company could be materially and adversely affected.

Risks Relating to the Transactions

Completion of the Transactions is subject to satisfaction or waiver of conditions precedent

Completion of the Transactions is subject to the satisfaction or waiver of several conditions precedent by the Outside Date, some of which are outside of the Company's and the Investor's control, including (among others) receipt of certain regulatory approvals, approval of the TSXV, approval by Shareholders and other customary closing conditions contained in the Investment Agreement. See "*Summary Of Key Documents And Agreements – Investment Agreement – Conditions to Closing*". There can be no certainty, nor can the Company provide any assurance, that all conditions

precedent to the Transactions will be satisfied or waived or, if satisfied or waived, when they will be satisfied or waived and, accordingly, the Transactions may not be completed, in whole or in part.

In addition, certain of the Transactions are inter-conditional on the occurrence of other Transactions. Salem Partners' acquisition of Ceres Life and the Company's acquisition of the remaining equity interest in Arena are contingent on the completion of the Private Placement, but the completion of Salem Partners' acquisition of Ceres Life is not a condition to completion of the other Transactions. In addition, the Private Placement is conditional on the Arrangement having been completed, which is subject to receipt of required Court and Shareholder approvals, but the Arrangement is not subject to the completion of the other Transactions.

If, for any reason, the Transactions are not completed, in whole or in part, or completion of the Transactions is materially delayed, the Company's business, financial condition and results of operations, and consequently the market price of the Common Shares, may be materially adversely affected.

The Investment Agreement may be terminated in certain circumstances

The parties to the Investment Agreement have rights, in certain circumstances, to terminate the Investment Agreement. See "*Summary Of Key Documents And Agreements – Investment Agreement – Termination*". Accordingly, there is no certainty, nor can the Company provide any assurance, that the Investment Agreement will not be terminated prior to the completion of the Private Placement. Failure to complete one or more of the Transactions could negatively affect the market price of the Common Shares to the extent that the current market price of the Common Shares reflects a market assumption that the Transactions will be completed or the failure to complete the Transactions negatively affects the Company's business. If the Investment Agreement is terminated, there is no assurance that the Board will be able to find a party willing to enter into another transaction with the Company that would present similar potential value to Shareholders as the Transactions.

The Company is restricted from taking specified actions under the Investment Agreement

Subject to certain exceptions, the Investment Agreement requires the Company to operate its business in the ordinary course and restricts the Company from taking specified actions, unless consented to by the Investor, until the Transactions are completed or the Investment Agreement is terminated, which may adversely affect the ability of the Company to operate its business. See "*Summary Of Key Documents And Agreements – Investment Agreement – Conduct of Business Pending the Closing*".

The Transactions may divert the attention of management

The Transactions could cause the attention of the management of the Company to be diverted from the Company's and Arena's day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Transactions and could result in lost opportunities or negative impacts on performance, which could have a material adverse effect on the Company and its business if the Transactions, in whole or in part, are not completed or materially delayed.

The Company will incur substantial transaction fees and other direct and indirect costs in connection with the Transactions, irrespective of whether they are completed and the Company will be required to reimburse the expenses of the Investor in certain circumstances, if the Investment Agreement is terminated

The Company has incurred and will incur substantial costs and expenses in connection with the Transactions, including attorneys' fees, financial advisory fees, accountants' fees, filing fees, mailing expenses, and financial printing expenses, among other potential fees and expenses, in connection with the Transactions, which it is responsible for whether or not the Transactions are completed. Pursuant to the Investment Agreement, subject to the fees payable on termination in the event the Approval Resolutions are not approved by Shareholders, each of the Company and the Investor are required to bear their own expenses in connection with the Transactions. If the Transactions are completed, the Company will be required to reimburse the Investor and Arena for all out-of-pocket expenses incurred by them in connection with the Transactions.

If the Meeting is held and the Required Shareholder Approvals have not been obtained in accordance with the Interim Order, or at any adjournment or postponement thereof, the Company will be required to reimburse to the Investor all out-of-pocket costs and expenses reasonably incurred by or on behalf of the Investor and its affiliates in connection with the Investment Agreement and the Transactions, in an amount of up to US$10 million, resulting in significant potential expense to the Company.

The Fairness Opinion is subject to certain assumptions and limitations, and does not reflect changes in circumstances that may have occurred or that may occur between the date of the Fairness Opinion and the completion of the Transactions

The Fairness Opinion is subject to the assumptions and limitations set forth therein and is directed only to the fairness, from a financial point of view, of the Transactions to the Company. The Fairness Opinion is only one of a number of factors taken into consideration by the Special Committee and the Board in considering the Transactions and does not constitute a recommendation of any kind to any Shareholder as to how such Shareholder should vote or act with respect to the matters to be considered at the Meeting. The Board and the Special Committee have not obtained and do not expect to obtain any updated opinions from BMO Capital Markets as of the date of this Information Circular, nor does the Board or the Special Committee expect to receive an updated, revised or reaffirmed opinion prior to the completion of the Transactions. Changes in the operations and prospects of the Company, general market and economic conditions and other factors that may be beyond the control of the Company and on which the Fairness Opinion was based, may significantly alter the value of the Company or the market price of the Common Shares by the time the Transactions are completed.

Certain of the Company's directors and executive officers have interests in the Transactions that may differ from, or are in addition to, the interests of Shareholders

In considering the Transactions, Shareholders should be aware that certain of the Company's directors and executive officers have interests in the Transactions that differ from, or are in addition to, the interests of Shareholders, including, but not limited to, those disclosed in "*Business Of The Special Meeting – The Arena Reorganization*, "*Business Of The Special Meeting – The Arrangement – RSU Settlement*", *Interest Of Certain Persons Or Companies In Matters To Be Acted Upon*" and "*Interests Of Informed Persons In Material Transactions*". These interests include, but are not limited to, the continued employment of certain executive officers and certain directors following completion of the Transactions and acceleration and cash settlement of RSUs under the Arrangement. Shareholders should be aware of these interests when they consider the Special Committee's and the Board's respective recommendations. The Special Committee and the Board were each aware of, and considered, these interests when they made their respective recommendations.

The current rights of Shareholders under Canadian law differ from their rights as stockholders under Delaware law, which will, in some cases, provide less protection to Shareholders following the Redomiciliation

Upon consummation of the Redomiciliation, the Company will no longer be subject to the ABCA and Shareholders will become stockholders of a Delaware corporation governed by the DGCL. There are material differences between the ABCA and the DGCL and the Company's current constating documents differ from the proposed Westaim Delaware charter and by-laws. For example, many matters requiring shareholder approval under Alberta law must be approved by a special resolution passed by not less than a two-thirds majority of the votes cast by shareholders who voted on those matters. These extraordinary corporate actions under Alberta law include certain amalgamations, continuances, liquidations and dissolutions, and sales, leases or exchanges of all or substantially all the assets of a corporation other than in the ordinary course of business. Under Delaware law, all that is required is a simple majority of the total voting power of all of those entitled to vote on the matter. Furthermore, shareholders under Alberta law are entitled to dissent with respect to a number of extraordinary corporate actions, including an amalgamation with another unrelated corporation, certain amendments to a corporation's articles of incorporation or the sale of all or substantially all of a corporation's assets, whereas under Delaware law, stockholders are only entitled to appraisal rights for certain mergers or consolidations. Accordingly, if the Arrangement is approved and the Redomiciliation is

completed, Shareholders may, in certain circumstances, be afforded less protection under the DGCL than they had under the ABCA. See "*Business Of The Special Meeting – The Arrangement*".

Our proposed form of Westaim Delaware Certificate of Incorporation designates certain courts as the sole and exclusive forum for certain types of actions and proceedings

The Company's proposed form of Certificate of Incorporation of Westaim Delaware, which would be effective upon the consummation of the Redomiciliation, provides that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for certain actions and proceedings, including certain actions and proceedings arising under the DGCL and under the U.S. Securities Act, against the Company or any director or officer of the Company. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any securities of the Company following the Redomiciliation will be deemed to have notice of, and consented to, the provisions of our proposed Certificate of Incorporation and by-laws of Westaim Delaware described in this paragraph. This choice-of-forum provision may limit a Shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with Westaim Delaware or its directors, officers, employees or agents, which may discourage such lawsuits against Westaim Delaware and such persons. Alternatively, if a court were to find these provisions of our proposed Westaim Delaware Certificate of Incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and operating results.

The tax consequences of the Arrangement may differ from the anticipated treatment

The Arrangement relies on the application of certain rules in the Canadian Tax Act. There can be no assurance that the CRA, the U.S. Internal Revenue Service or other applicable taxing authorities will agree with the Canadian and U.S. federal income tax consequences of the Arrangement, as applicable, as set forth in this Information Circular. Furthermore, there can be no assurance that applicable Canadian and U.S. income tax laws, regulations or tax treaties will not change (legislatively, judicially or otherwise) or be interpreted in a manner, or that applicable taxing authorities will not take an administrative position, that is adverse to the Company and the Shareholders following completion of the Arrangement.

Shareholders are encouraged to read "*Canadian And U.S. Federal Income Tax Considerations*" in this Information Circular and to consult with their tax advisors regarding the tax consequences of the Arrangement.

The Redomiciliation will give rise to certain Canadian tax consequences

For purposes of the Canadian Tax Act, the Company's taxation year will be deemed to have ended immediately prior to it ceasing to be a resident of Canada as a result of the Redomiciliation. The Company will be subject to income tax under Part I of the Canadian Tax Act on any income and net taxable capital gains which arise as a result of the deemed disposition of its properties. The Company will also be subject to "emigration tax" under Part XIV of the Canadian Tax Act on the amount by which the fair market value, immediately before the Company's deemed year end, of all of its properties exceeds the total of certain of its liabilities and the paid-up capital, determined for purposes of that emigration tax, of all the issued and outstanding shares of the Company immediately before such deemed year end. The quantum of tax payable, if any, by the Company upon the Redomiciliation will depend upon a number of considerations including valuation of the Company's assets, the amount of its liabilities, its shareholder composition, as well as certain Canadian tax amounts, accounts and balances of the Company, each immediately prior to the Company's deemed taxation year end resulting from the Redomiciliation. See "*Canadian And U.S. Federal Income Tax Considerations – Certain Canadian Federal Income Tax Considerations*".

The Redomiciliation will give rise to certain U.S. tax consequences

For U.S. federal income tax purposes, U.S. Holders (as defined under "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations*") of Common Shares may be required to recognize gain or dividend income, or both, as a result of the Redomiciliation. Unless the U.S. Holder makes certain tax elections, such gain may be subject to tax at the rates generally applicable to ordinary income. Moreover, such dividend income

may not be eligible for the reduced rates of taxation generally applicable to "qualified dividend income." See "*Canadian And U.S. Federal Income Tax Considerations – Certain U.S. Federal Income Tax Considerations*" for a summary of certain U.S. federal income tax considerations of the Redomiciliation generally applicable to U.S. Holders of Common Shares and certain U.S. federal income tax considerations generally applicable to Non-U.S. Holders (as defined therein) of the ownership and disposition of Westaim Delaware Shares received in the Redomiciliation.

The Common Shares to be issued, or that are issuable, pursuant to the Transactions would dilute existing Shareholders

If the Transactions are completed, the Company will issue to the Investor (a) 71,878,947 Common Shares, which is expected to represent approximately 36% of the issued and outstanding Common Shares upon completion of the Transactions, without taking into account the exercise of the Warrants; and (b) the Warrants (which may be exercised in full or in part) entitling the holder thereof upon the valid exercise in full thereof, to acquire, accept and receive from the Company an aggregate of 31,288,228 Common Shares (subject to the terms of the Investment Agreement and the terms and conditions of the Warrants), which are expected to represent an additional 5% of the issued and outstanding Common Shares upon completion of the Transactions. In addition, the Company will grant the Consultant an award of PSUs equal to two percent (2%) of the outstanding Common Shares measured as of the Closing. The issuance of such Common Shares to the Investor and the issuance of Common Shares to the Consultant on settlement of the PSUs would dilute current Shareholders.

There are certain risks associated with the Share Consolidation

As part of the Arrangement, the Common Shares will be consolidated on a 6:1 basis. Registered Shareholders who hold less than one whole Common Share after giving effect to the Share Consolidation will receive a cash payment of C$4.75 per pre-Share Consolidation Common Share held by such Registered Shareholder, up to a maximum of C$23.75. In addition, Shareholders who hold more than one whole Common Share after the Share Consolidation will have their holdings of Common Shares subjected to rounding to the nearest whole Common Share. Accordingly, the Share Consolidation is expected to result in the termination or reduction of some Shareholders' interests in the Company.

There can be no assurance that the total market capitalization of the Common Shares immediately after the Share Consolidation will be equal to or greater than the total market capitalization immediately before the Share Consolidation. In addition, there can be no assurance that the per share market price of the Common Shares following the Share Consolidation will remain higher than the per share market price immediately before the Share Consolidation or equal or exceed the direct arithmetical result of the Share Consolidation. In addition, a decline in the market price of the Common Shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of a Share Consolidation, and the liquidity of the Common Shares could be adversely affected. Further, there can be no assurance that, if the Share Consolidation is implemented, the margin terms associated with the purchase of Common Shares will improve or that the Company will be successful in receiving increased attention from institutional investors.

The Company may be the targets of legal claims, securities class actions, derivative lawsuits and other claims and such claims may delay or prevent the Transactions from being completed

The Company may be the target of securities class actions and derivative lawsuits which could result in substantial costs and may delay or prevent the Transactions from being completed. Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into strategic transactions. Third parties may also attempt to bring claims against the Company and CC Capital seeking to restrain the Transactions or seeking monetary compensation or other remedies. Even if such lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Transactions, the that injunction may delay or prevent the Transactions from being completed.

Payments in connection with the exercise of Dissent Rights may impair the Company's financial resources

Registered Shareholders have the right to exercise certain Dissent Rights and demand payment of the fair value of their Common Shares, as the case may be, in cash in connection with the Arrangement. If there are significant number of Dissenting Shareholders, a substantial cash payment may be required to be made to such Dissenting Shareholders that could have an adverse effect on the Company's financial condition and cash resources if the Arrangement is completed. It is a mutual condition to completion of the Private Placement and other transactions under the Investment Agreement that the number of Common Shares held by Shareholders that have validly exercised Dissent Right (and not withdrawn such exercise) shall not exceed ten percent (10%) of the Common Shares issued and outstanding as of the date of the Investment Agreement.

Risks Relating to the Business of the Company Following the Transactions

The risks and uncertainties described below should be read in combination with the discussion of other risk factors to which the Company (including Arena) is currently subject in the section entitled "Risk Factors" of the Company's AIF, which section is incorporated by reference herein. The AIF is available on SEDAR+ at www.sedarplus.ca and on request, the Company will promptly provide a copy of the AIF free of charge to a Shareholder.

Anticipated benefits of the Transactions may not materialize

The Company is proposing to complete the Transactions to realize certain potential benefits, including, among others, those set described under "*Business Of The Special Meeting – Reasons for the Transactions*" above. Achieving those benefits depends on a number of assumptions, including those described under "Forward Looking Information" above. There can be no assurances that the anticipated benefits will materialize, and the Transactions involve risks that could materially and adversely affect the Company's business. While the Board and Special Committee, based on analysis provided by management and the Company's financial advisors (as well as other information deemed appropriate and sufficient for such purposes), considered these risks and believe that the Transactions are in the best interests of the Company and the Shareholders, this determination should not be regarded as a guarantee of future performance or results. There can be no assurance that, to the extent the benefits of the Transactions do materialize, there will be a commensurate impact on the market price of the Common Shares or that the market value of the Common Shares will accord with management's views concerning the appropriate valuation of the Common Shares.

There are risks associated with the integration of the insurance and asset management platforms

As part of the combined platform, the Company, Arena and Ceres Life aim to generate a powerful value creation flywheel, driving continued growth and stability of both the insurance and asset management businesses. The ability to achieve anticipated synergies will depend in part on whether the insurance and asset management platform can be integrated in an efficient and effective manner, the ability to scale Ceres Life, and continued strong investment performance of Arena. There is a risk that integration may not occur as planned, or that the financial and other benefits may be less than anticipated. In addition, the integration of the operations will entail significant expenses, which may be greater than currently anticipated.

The Company's ability to develop its combined insurance and asset management platform will be dependent on certain key personnel

The Company's ability to develop its combined insurance and asset management platform will depend in part on its ability to attract and retain certain key personnel. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. While the Company intends to take appropriate measures to attract and retain such personnel upon closing of the Transactions, including through the adoption of the New Equity Incentive Plan, there is significant competition for qualified personnel and the Company may not be able to attract and retain such personnel.

The Company's business strategy will be dependent on its relationship with CC Capital

The Company's ability to operate its business upon closing of the Transactions and realize the benefits of its proposed strategy are highly dependent on a positive working relationship with CC Capital and the maintenance of its investment in the Company. The Investor Rights Agreement contains certain transfer restrictions. In particular, the Investor will be restricted for a period of 24 months following closing of the Transactions from knowingly transferring any shares or convertible securities of the Company to any person that, following such transfer, would, either alone or together with persons acting jointly or in concert, beneficially own 10% or more of the Common Shares, subject to certain exceptions. However, such transfer restrictions are of limited duration and CC Capital may choose to dispose of its shareholdings if the anticipated benefits of the Transactions are not realized. Certain other protections in the Investor Rights Agreement in favour of the Company, including standstill and voting support obligations, are also of limited duration, and there can be no assurance as to the intentions of the Company and CC Capital upon the expiry of such provisions. Any change in the working relationship between CC Capital and the Company or CC Capital's intentions with respect to its investment in the Company may have adverse impacts on the Company's business and reputation. See "*Summary Of Key Documents And Agreements – Investment Agreement*".

CC Capital will be a significant shareholder, with significant influence on the Company and its business

Upon completion of the Private Placement, the Investor will own approximately 36% of the Common Shares upon closing of the Transactions, and up to 44% factoring in the exercise of the Warrants, the currently outstanding stock options expected to be outstanding at closing of the Transactions and the settlement of the PSUs to be issued at closing of the Transactions, making the Investor the Company's largest Shareholder. Additionally, upon completion of the Private Placement, the Investor will have the right to nominate five members to the Board. Upon achievement of the Common Stock Price Target Condition, the Investor will be entitled to nominate an additional director, which may, along with its other nominees, constitute a majority of the Board. The Investor Rights Agreement will afford the Investor significant governance rights, including consent rights with respect to major corporate actions. As a result, upon completion of the Private Placement, the Investor will exert significant influence over the direction of the Company's business and significant decisions. The interests of the Investor in the Company's business, operations and financial condition from time to time may not be aligned with, or may conflict with, those of other Shareholders. The Investor's voting interest in the Company will allow it to significantly influence shareholder votes and may discourage future transactions involving the Company. Many of the Investor's rights under the Investor Rights Agreement, and the ability of the Investor to exert significant influence over the direction of the Company, will continue even if the Investor's ownership percentage of the Common Shares significantly declines. See "*Summary Of Key Documents And Agreements – Investment Agreement*."

The Private Placement and the Investor's significant holdings may affect liquidity of the Common Shares

The Common Shares may be less liquid and trade at a discount relative to the trading that could occur in circumstances where the Investor and the Company did not have the ability to significantly influence or determine matters affecting the Company. Additionally, the Investor's significant voting interest in the Company may discourage transactions involving a change of control of the Company, including transactions in which an investor, as a Shareholder, might otherwise receive a premium for its Common Shares over the then-current market price.

Ceres Life is an early-stage insurance company and its success is subject to the substantial risks inherent in the establishment of a new business venture and in the insurance and annuity markets

Ceres Life is an early-stage insurance company and is expected to launch in the first quarter of 2025. Its predecessor, ManhattanLife, has minimal assets other than insurance licences in all U.S. states other than California, Idaho, Maine, Minnesota, New Jersey, and New York. Accordingly, Ceres Life will be subject to all of the risks inherent in the establishment of any business venture, including financial, operational, technological, regulatory and other risks that could potentially result in failure of a new venture. There can be no assurances with respect to the speed or volume of annuity originations by Ceres Life, that its strategic partnership with Advisors Excel will yield the anticipated benefits, that desirable reinsurance transactions will be available to it, or that it will achieve the desired scale within anticipated

timeframes. The Investor's strategy with respect to Ceres Life is subject to certain assumptions concerning, and the risks inherent in, the annuities, retirement and pensions insurance industry.

Ceres Life will be subject to extensive regulation

Insurance companies are subject to extensive regulation in the U.S. Most insurance regulations are designed to protect the interests of insurance policyholders, as opposed to the interests of investors or stockholders. These regulations are generally administered by a department of insurance in each state and relate to, among other things, capital and surplus requirements, investment and underwriting limitations, affiliate transactions, dividend limitations, changes in control, solvency and a variety of other financial and non-financial aspects of Ceres Life's business. Significant changes in these laws and regulations could limit Ceres Life's discretion or make it more expensive to conduct for Ceres Life to conduct its business. State insurance regulators also conduct periodic examinations of the affairs of insurance and reinsurance companies and require the filing of annual and other reports relating to financial condition, holding company issues and other matters. These regulatory requirements may impose timing and expense constraints that could adversely affect Cere Life's ability to achieve some or all of its business objectives.

In addition, state insurance regulators have broad discretion to deny or revoke licenses for various reasons, including the violation of regulations. If Ceres Life does not have the requisite licenses and approvals or does not comply with applicable regulatory requirements, state insurance regulators could preclude or temporarily suspend Ceres Life from carrying on some or all of its activities in their state or could otherwise penalize it. This could adversely affect Ceres Life's ability to operate its business. Further, changes in the level of regulation of the insurance industry or changes in laws or regulations themselves or interpretations by regulatory authorities could interfere with Ceres Life operations and require it to bear additional costs of compliance, which could adversely affect its ability to operate its business.

Ceres Life's business could be adversely affected by changes in state laws, including those relating to asset and reserve valuation requirements, surplus requirements, limitations on investments and dividends, enterprise risk and risk-based capital requirements, and, at the federal level, by laws and regulations that may affect certain aspects of the insurance industry, including proposals for pre-emptive federal regulation. The U.S. federal government generally has not directly regulated the insurance industry except for certain areas of the market, such as insurance for flood, nuclear and terrorism risks. However, the federal government has undertaken initiatives or considered legislation in several areas that may affect the insurance industry, including tort reform, corporate governance and the taxation of reinsurance companies.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

In considering the determinations and recommendations of the Special Committee and the Board with respect to the Transactions, Shareholders should be aware that certain directors and executive officers of the Company have interests or benefits in connection with the Transactions that may present them with actual or potential conflicts of interest in connection with the Transactions. The Special Committee and the Board are aware of these interests and considered them when making their recommendation. See "*Business Of The Special Meeting – The Arena Reorganization*" and "*Business Of The Special Meeting – The Arrangement – RSU Settlement*" concerning benefits to be received by the directors and officers of the Company upon completion of the Transactions.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, other than as disclosed in this Information Circular or in other continuous disclosure documents made available under the Company's profile on SEDAR+ at www.sedarplus.ca, no "informed person", proposed director, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in the Transactions or any other proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means, among others, (a) a director or executive officer of the Company or of a subsidiary of the Company, (b) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (c) a reporting issuer that has purchased, redeemed, or otherwise acquired any of its securities, for so long as it holds any of its securities.

ADDITIONAL INFORMATION

Financial information is provided in the financial statements and management's discussion and analysis of for the Company's most recently completed financial year. Shareholders wishing to receive a copy of such materials should mail a request to the Company at 70 York Street, Suite 1700, Toronto, Ontario M5J 1S9, telephone: (416) 969-3337, Attention: President and Chief Executive Officer.

Additional information relating to the Company is also available free of charge on SEDAR+ at www.sedarplus.ca.

CONSENT OF BMO NESBITT BURNS INC.

TO: The Board of Directors of The Westaim Corporation (the "**Company**")

DATE: November 19, 2024

We hereby consent to the references to our firm name and our fairness opinion dated October 8, 2024, contained in the "*Letter to Westaim Shareholders*" and in the management information circular of the Company dated November 19, 2024 (the "**Circular**"), to the inclusion of the text of our fairness opinion in "*Appendix "H" – Fairness Opinion* " attached to the Circular and to the filing of our fairness opinion forming part of the Circular with the securities regulatory authorities in each of the provinces and territories of Canada. Our fairness opinion was given as at October 8, 2024, subject to the assumptions, limitations and qualifications contained therein. In providing such consent, we do not intend that any person other than the board of directors and the special committee of the board of directors of the Company shall be entitled to rely upon our opinion.

"*BMO Nesbitt Burns Inc.*"
BMO Nesbitt Burns Inc.

APPENDIX "A"
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") of The Westaim Corporation (the "**Company**") under section 193 of the *Business Corporations Act* (Alberta) (the "**Act**"), as more particularly described and set forth in the management information circular of the Company dated November 19, 2024 (the "**Circular**") accompanying the notice of this meeting, as the Arrangement may be, or may have been, modified, amended or supplemented in accordance with the terms of the plan of arrangement in respect of the Arrangement (as such plan of arrangement may be, or may have been, modified, amended or supplemented in accordance with its terms, the "**Plan of Arrangement**"), and all transactions contemplated by the Arrangement are hereby authorized, approved, ratified and confirmed.

2. The Plan of Arrangement, as it may be, or may have been, modified, amended or supplemented in accordance with its terms, the full text of which is set out as Appendix "G" to the Circular, and the completion of each of the steps described in the Plan of Arrangement, are hereby authorized, approved, ratified and confirmed.

3. The (i) actions of the directors of the Company in approving the Arrangement and the Plan of Arrangement, (ii) actions of the directors and officers of the Company in causing the performance by the Company of its obligations under the Arrangement and the Plan of Arrangement, and (iii) Company's application for an interim order from the Court of King's Bench of Alberta (the "**Court**"), are hereby authorized, approved, ratified and confirmed.

4. The Company is hereby authorized to apply for a final order from the Court to approve the Arrangement on the terms set forth in the Plan of Arrangement.

5. Notwithstanding that this resolution has been passed (and the Arrangement and the Plan of Arrangement authorized, approved and adopted) by the holders of common shares of the Company ("**Company Shareholders**") entitled to vote hereon or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered, without notice to or approval of the Company Shareholders: to (i) amend, supplement or otherwise modify the Plan of Arrangement to the extent permitted by its terms; and (ii) subject to the terms of the Investment Agreement dated October 9, 2024 among the Company, Wembley Group Partners, LP and, solely for purposes of specific sections enumerated therein, Arena Investors Group Holdings, LLC, Dan Zwirn and Lawrence Cutler, as it may be, or may have been, modified, amended or supplemented in accordance with its terms (the "**Investment Agreement**"), if applicable, not to proceed with the Arrangement or any transactions contemplated thereby and any related transactions.

6. Any director or officer of the Company is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, for filing with the Registrar under the Act, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement and the transactions contemplated thereby.

7. Any director or officer of the Company is hereby authorized and directed for and on behalf of the Company 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 resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such other document or instrument or the performance of any such other act or thing.

APPENDIX "B"
PRIVATE PLACEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The issuance to Wembley Group Partners, LP (the "**Investor**") of (i) 71,878,947 common shares ("**Common Shares**") of The Westaim Corporation (the "**Company**"), (ii) par warrants to purchase 7,822,057 Common Shares having an exercise price of C$4.02 per Common Share, and (iii) incentive warrants to purchase 23,466,171 Common Shares having an exercise price of C$4.75 per Common Share (in each case subject to adjustment in accordance with the terms of the Investment Agreement (as defined below) and the warrants) (the "**Private Placement**") pursuant to the Investment Agreement dated October 9, 2024 among the Company, the Investor and, solely for purposes of specific sections enumerated therein, Arena Investors Group Holdings, LLC, Dan Zwirn and Lawrence Cutler, as amended on November 15, 2024 and as it may be further modified, amended or supplemented in accordance with its terms (the "**Investment Agreement**"), all as more particularly described and set forth in the management information circular of the Company dated November 19, 2024 accompanying the notice of this meeting, is hereby authorized, approved, ratified and confirmed.

2. The (i) completion of the Private Placement as contemplated by the terms of the Investment Agreement and all matters relating thereto and (ii) actions of the directors and officers of the Company in approving the Private Placement and causing the performance by the Company of its obligations under the Investment Agreement in connection with the Private Placement, are hereby authorized, approved, ratified and confirmed.

3. The participation of the Investor in the Private Placement, which will result in the Investor becoming a "Control Person" as such term is defined in TSX Venture Exchange Policy 4.1 - *Private Placements*, is hereby authorized, approved, ratified and confirmed.

4. Notwithstanding that this resolution has been passed (and the Private Placement having been authorized, approved and adopted) by the holders of Common Shares ("**Company Shareholders**") entitled to vote hereon**,** the directors of the Company are hereby authorized and empowered, without notice to or approval of the Company Shareholders to: (i) amend, supplement or otherwise modify the terms of the Private Placement to the extent permitted by the terms of the Investment Agreement; and (ii) subject to the terms of the Investment Agreement, not to proceed with the Private Placement or any transactions contemplated thereby and any related transactions.

5. Any director or officer of the Company is hereby authorized and directed for and on behalf of the Company 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 resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such other document or instrument or the performance of any such other act or thing.

APPENDIX "C"
NEW EQUITY INCENTIVE PLAN

See attached.

AMENDED AND RESTATED LONG-TERM EQUITY INCENTIVE PLAN
(original plan approved by the Shareholders on May 12, 2010)
(amended and restated by the Board of Directors on May 11, 2011, December 20, 2012, May 14, 2014, March 31, 2016, April 13, 2022, March 29, 2023 and November 15, 2024)

THE WESTAIM CORPORATION

ARTICLE 1
PURPOSE

1.1 **Purpose.** The purpose of this long-term equity compensation plan of the Corporation is to advance the interests of the Corporation and its Affiliates by (a) attracting, rewarding and retaining highly competent persons as Employees, Directors, Officers, Consultants and Management Company Employees; (b) providing additional incentives to Employees, Directors, Officers, Consultants and Management Company Employees as determined by the Board by aligning their interests with those of the Corporation's shareholders; and (c) promoting the success of the Corporation's business.

1.2 **Effective Date and Replacement**. The Plan shall become effective upon the receipt of all required shareholder and regulatory approvals (the "**Effective Time**") and will replace the "Restricted Share Unit Plan" of the Corporation, the "2001 Deferred Share Unit Plan" of the Corporation, the "1996 Employee and Director Stock Option Plan" of the Corporation, the "Directors and Officers Share Purchase Program" of the Corporation, and the "Incentive Stock Option Plan" of the Corporation (collectively, the "**Prior Plans**"). All awards granted under the Prior Plans and which remain outstanding at the Effective Time will remain in full force and effect in accordance with their terms, however, following the Effective Time, no additional grants shall be made under the Prior Plans.

ARTICLE 2
DEFINED TERMS

2.1 **Definitions**. The following terms used herein shall have the following meanings:

"**Actively Employed**" means that the Participant must be employed by the Corporation or an Affiliate and in the event that a Participant's employment is terminated for any reason (whether lawful or otherwise, including, without limitation, by reason of resignation, retirement, death, frustration of contract, termination for Cause, termination without Cause, disability or constructive dismissal), Actively Employed shall only include the period up to the Participant's last day of work plus the period of statutory notice (if any) required by applicable employment standards legislation. For certainty, the period that the Participant is "Actively Employed" or the period of "Active Employment" does not include any period of contractual or common law reasonable notice in excess of any applicable statutory notice period;

"**Affiliate**" means an entity which is an "affiliate" of the Corporation for the purposes of National Instrument 45-106 - Prospectus Exemptions;

"**Award**" means a Stock Appreciation Right, Restricted Share Unit, Deferred Share Unit, Option or Other Award granted pursuant to the Plan;

"**Black-Out Period**" means a time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain Persons as designated by the Corporation, including any holder of an Award;

"**Board**" means the board of directors of the Corporation or, if established and duly authorized to act in respect of the Plan, a committee of the board of directors of the Corporation;

"**Business Day**" means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;

"**Canadian Employee**" means an Employee or Director who, in respect of an Award, is subject to tax in Canada pursuant to the Tax Act, as reflected in the books and records of the Corporation;

"**Cause**" means (i) if the Participant is employed in Ontario, Canada, wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the Corporation or an Affiliate, as applicable; (ii) if the Participant is employed outside of Ontario, Canada, and has a written employment agreement with the Corporation, "cause", "just cause" or any other similar term as defined in that agreement; or (iii) if the Participant is employed outside of Ontario, Canada, and there is no such agreement or definition, or the Participant is a Consultant, means:

(i) the willful failure by the Participant to perform his or her duties with respect to the Corporation or an Affiliate, as applicable;

(ii) theft, fraud, dishonesty or misconduct by the Participant involving the property, business or affairs of the Corporation or an Affiliate, as applicable, or in carrying out of the Participant's duties with respect to the Corporation or an Affiliate, as applicable; or

(iii) the material breach by the Participant of his or her employment agreement (if applicable), including the policies of the Corporation or an Affiliate, as applicable;

"**Change of Control**" means the occurrence of any of the following:

(i) the sale by the Corporation of all of the assets of the Corporation or substantially all of the assets of the Corporation;

(ii) the acquisition by any Person (whether from the Corporation or from any other Person) of Shares or other securities of the Corporation having rights of purchase, conversion or exchange into Shares which together with securities of the Corporation held by such Person, either alone or together with Persons "acting jointly or in concert" (as such phrase is defined by the *Securities Act*) with such Person, exceeds 50% of the issued and outstanding Shares, (assuming for this test the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Shares, such Person or Persons would be entitled to);

(iii) the amalgamation of the Corporation with or into any one or more other corporations (other than: (a) an amalgamation of the Corporation with or into a subsidiary (as such term is defined in the Securities Act) of the Corporation; or (b) an amalgamation or merger of the Corporation unanimously recommended by the Board provided that the former holders of Shares receive, in the aggregate and in their capacities as such, shares of the

amalgamated corporation having attached thereto not less than 50% of the votes attached to all shares of such amalgamated or merged corporation);

(iv) the election at a meeting of the Corporation's shareholders of that number of Persons which would represent a majority of the Board, who are not included in the slate for election as directors proposed to the Corporation's shareholders by the Corporation; or

(v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii) referred to above;

Notwithstanding the foregoing, with respect to the payment of any amount that constitutes a deferral of compensation subject to Section 409A of the Code payable upon a Change of Control, a Change of Control shall not be deemed to have occurred, unless the Change of Control constitutes a change in the ownership or effective control of the Corporation or in the ownership of a substantial portion of the assets of the Corporation under Section 409A(a)(2)(A)(v) of the Code;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, including the rules and regulations thereunder and any successor provisions, rules and regulations thereto;

"**Consultant**" means an individual (other than an Employee or a Director) or Company (as such term is defined in the Exchange's Corporate Finance Manual Policy 1.1 - Interpretation), that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate, other than services provided in relation to a distribution of securities;

(ii) provides the services under a written contract with the Corporation or an Affiliate and the individual or the Company, as the case may be; and

(iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate;

"**Corporation**" means The Westaim Corporation, a corporation existing under the laws of the Province of Alberta and, following the redomiciliation of the Corporation to the State of Delaware, United States, a Delaware corporation, and any successor corporation;

"**Deferred Share Units**" has the meaning set out in Section 11.1;

"**Director**" means a member of the board of directors of the Corporation or of any of its Affiliates;

"**Disqualifying Disposition**" means any disposition (including any sale) of Shares acquired upon the exercise of an Incentive Stock Option made within the period that ends either (1) two years after the date on which the Participant was granted the Incentive Stock Option or (2) one year after the date upon which the Participant acquired the Shares;

"**Eligible Person**" means any Director, Officer, Employee, Management Company Employee or Consultant of the Corporation or any Affiliate determined by the Board as eligible for participation in the Plan; provided, that (i) with respect to any Award that is intended to qualify as a "stock right"

that does not provide for a "deferral of compensation" each within the meaning of Section 409A of the Code, the term "Affiliate" as used in this definition shall include only those corporations or other entities in the unbroken chain of corporations or other entities beginning with the Corporation where each of the corporations or other entities in the unbroken chain other than the last corporation or other entity owns stock possessing at least fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations or other entities in the chain, and (ii) with respect to any Award that is intended to be an Incentive Stock Option, the term "Affiliate" as used in this definition shall include only those entities that qualify as a "subsidiary corporation" with respect to the Corporation within the meaning of Section 424(f) of the Code;

"**Employee**" means an individual who is considered an employee of the Corporation or its Affiliates for the purposes of the Tax Act or the Code, as applicable;

"**Exchange**" means the TSX Venture Exchange or, if the Shares are not then listed and posted for trading on the TSX Venture Exchange, on such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;

"**Exercise Criteria**" means the criteria, if any, established by the Board in relation to an Award, which criteria are to be achieved by a Participant in respect of that particular Award and which criteria may, without limitation, include vesting periods and criteria based on performance of the Shares in the market, financial performance by the Corporation and/or by a specific business unit of the Corporation and other corporate or individual measures;

"**Exercise Notice**" has the meaning set out in Section 7.5(a);

"**Fixed Term**" means the period of time during which an Option must be exercised pursuant to the terms of the Plan;

"**Incentive Stock Option**" means an Option intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code;

"**Insider**" means:

(i) a director or senior officer of the Corporation;

(ii) a director or senior officer of an entity that is itself an Insider or a subsidiary of the Corporation;

(iii) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; or

(iv) the Corporation itself if it holds any of its own securities;

"**Investor Relations Service Provider**" has the meaning set out in the TSX Venture Exchange's Corporate Finance Manual Policy 4.4 – *Security Based Compensation*;

"**Management Company Employee**" means an individual employed by a Consultant providing management services to the Corporation, who is required for the ongoing successful operation of the business enterprise of the Corporation;

"**Market Price**" as at any date means the last closing price of the Shares on the Exchange on the relevant date. In the event that the Shares are not then listed and posted for trading on any Exchange, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the reasonable application by the Board of a reasonable valuation method consistent with Section 409A of the Code;

"**Net Exercise**" has the meaning set out in Section 7.5(c);

"**Nonqualified Stock Option**" means an Option not intended to be an Incentive Stock Option;

"**Offer**" has the meaning set out in Section 6.1;

"**Officer**" means a senior officer of the Corporation or an Affiliate;

"**Option**" means an option granted to purchase Shares under the terms of the Plan;

"**Option Price**" means the price per share at which Shares may be purchased under an Option or based on which the SAR Amount is determined, as the same may be adjusted from time to time in accordance with Article 6 hereof;

"**Other Awards**" has the meaning set out in Section 12.1;

"**Participant**" means an Eligible Person who holds an Award under the terms of the Plan;

"**Payout Date**" in respect of a Deferred Share Unit means ten Business Days following the Termination Date;

"**Person**" means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or other entity;

"**Plan**" means this long-term equity compensation plan;

"**Release Date**" means:

(i) in respect of an RSU Grant to a Canadian Employee, unless otherwise determined by the Board, either (A) the date which is ten Business Days following each anniversary of the RSU Effective Date, or (B) the date which is ten Business Days following the third anniversary of the RSU Effective Date, as specified in the Award agreement, provided however that, except as specified in the Award agreement, such date shall not be after the end of the Participant's third taxation year following the taxation year in which such RSU Effective Date occurred; and

(ii) in respect of an RSU Grant to an Eligible Person who is not a Canadian Employee, unless otherwise determined by the Board, either (A) the date which is ten Business Days following each anniversary of the RSU Effective Date, or (B) the date which is ten Business

Days following the fifth anniversary of the RSU Effective Date, as specified in the Award agreement, provided however that, except as specified in the Award agreement, such date shall not be after the end of the Participant's fifth taxation year following the taxation year in which such RSU Effective Date occurred;

"**Restricted Share Units**" has the meaning set out in Section 10.1;

"**RSU Effective Date**" means the date which the Board determines will be the date on which the RSU Grant will take effect;

"**RSU Grant**" means the grant of Restricted Share Units allocated to a Participant at any time in accordance with the Plan;

"**RSU Grant Period**" means the period established by the Board in respect of each RSU Grant, which period shall commence on the RSU Effective Date and end on the date designated by the Board; provided however that, in respect of a grant to a Canadian Employee, such period will not in any case exceed three years;

"**SAR Amount**" has the meaning set out in Section 8.2;

"**Securities Act**" means the *Securities Act* (Ontario), as may be amended from time to time;

"**Service Recipient**" means, with respect to a Participant holding an Award, either the Corporation or an Affiliate by which the original recipient of such Award is, or following a Termination Date was most recently, principally employed or to which such original recipient provides, or following a Termination Date was most recently providing, services, as applicable;

"**Share Compensation Arrangement**" means any stock option plan, employee stock purchase plan, stand-alone stock option, long-term incentive plan or any other compensation or incentive mechanism of the Corporation (in each case, other than the Plan) involving the issuance or potential issuance of Shares from treasury, including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Corporation or its subsidiaries by way of a loan, guarantee or otherwise, including the Prior Plans;

"**Share Purchase Program**" has the meaning set out in Section 9.1;

"**Shares**" mean the common shares of the Corporation as currently constituted or, in the event of an adjustment as contemplated by Article 6, such other shares or securities to which a Participant may be entitled or on which the value of an Award may be based, as a result of such adjustment;

"**SPP Eligible Person**" means any Eligible Person determined by the Board as eligible to participate in the Share Purchase Program;

"**Stock Appreciation Rights**" has the meaning set out in Section 8.1;

"**Subscription Amount**" has the meaning set out in Section 10.6;

"**Surrender**" has the meaning set out in Section 7.5(d);

"**Tax Act**" means the *Income Tax Act* (Canada) as amended from time to time; and

"**Termination Date**" means the date a Participant ceases to be, for any reason, (i) in the context of a Deferred Share Unit, an Employee or a Director; and (ii) in all other contexts herein, an Eligible Person, unless otherwise provided herein. For certainty, in the case of an Employee, the Termination Date shall be the last day on which the Employee is Actively Employed by the Corporation or an Affiliate, as applicable, where it is reasonably expected that no further services will be performed (and, for the avoidance of doubt, does not include any period of contractual or reasonable notice beyond any statutory period of notice or any period of salary continuance or deemed employment beyond any statutory period of notice, whether imposed by a court of otherwise). For further certainty, an Employee's absence from active work during a period of vacation, temporary illness, authorized leave of absence, statutory leave of absence or disability leave shall not be considered to result in a Termination Date. Notwithstanding anything herein to the contrary, with respect to a Participant located in the United States, a Participant's change in status in relation to the Service Recipient (for example, a change from Employee to Consultant) shall not be deemed a cessation of services hereunder with respect to any Awards constituting "nonqualified deferred compensation" subject to Section 409A of the Code that are payable upon a cessation of services unless such change in status constitutes a "separation from service" within the meaning of Section 409A of the Code. Any payments in respect of an Award constituting nonqualified deferred compensation subject to Section 409A of the Code that are payable upon a cessation of services shall be delayed for such period as may be necessary to meet the requirements of Section 409A(a)(2)(B)(i) of the Code. On the first Business Day following the expiration of such period, the Participant shall be paid, in a single lump sum without interest, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence, and any remaining payments not so delayed shall continue to be paid pursuant to the payment schedule applicable to such Award.

ARTICLE 3
ADMINISTRATION OF PLAN

3.1 **General**. This Plan shall be administered by the Board which shall have the power, subject to the specific provisions of the Plan:

(a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;

(b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Award granted pursuant to the Plan, where every such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;

(c) to determine the Eligible Persons to whom Awards are granted and to grant Awards;

(d) to determine the number of Awards;

(e) to determine the Exercise Criteria, if any, in respect of an Award;

(f) to determine the Option Price of an Option or a SAR provided that the Option Price shall not be less than the Market Price, unless otherwise specified herein;

(g) to determine the time or times when Awards will be granted and exercisable or redeemable;

(h) to determine if the Shares that are subject to an Award will be subject to any restrictions upon the exercise or redemption of such Award;

(i) to prescribe the form of the instruments or award agreements relating to the grant, exercise, redemption and other terms of Awards;

(j) to determine whether, to what extent, and under what circumstances an Award may be settled;

(k) to correct any defect (including but not limited to amending an Award agreement to comply with applicable law), supply any omission, or reconcile any inconsistency in the Plan or any Award agreement in the manner and to the extent it shall deem desirable to carry out the purposes of the Plan;

(l) to authorize withholding arrangements pursuant to Section 14.4 of the Plan;

(m) to authorize any person to execute on behalf of the Corporation any instrument required to effect the grant of an Award previously granted by the Board; and

(n) to make all other determinations and take all other actions described in the Plan or as the Board otherwise deems necessary or advisable for administering the Plan and effectuating its purposes.

The powers described in this Section 3.1 shall be exercised in accordance with applicable securities laws and the rules and policies of the Exchange.

3.2 **Delegation of Administration**. The Board may, from time to time, delegate the administration of all or any part of the Plan to a committee of the Board and shall determine the scope of and may revoke or amend such delegation.

3.3 **Award Agreement**. Each Participant shall execute an Award agreement in the form determined by the Board from time to time. In the event of any inconsistency between the terms of any Award agreement and this Plan, the terms of this Plan shall govern.

3.4 **Awards May be Separate or in Tandem**. In the Board's discretion, Awards may be granted alone, in addition to, or in tandem with any Other Award or any award granted under another plan of the Corporation or an Affiliate. Awards granted in addition to or in tandem with Other Awards may be granted either at the same time or at different times.

3.5 **Sections 409A and 457A**. The Board shall take into account compliance with Sections 409A and 457A of the Code in connection with any grant of an Award under the Plan, to the extent applicable. While the Awards granted hereunder are intended to be structured in a manner to avoid the imposition of any penalty taxes under Sections 409A and 457A of the Code, in no event whatsoever shall the Corporation or any of its Affiliates be liable for any additional tax, interest, or penalties that may be imposed on a Participant as a result of Section 409A or Section 457A of the Code or any damages for failing to comply with Section 409A or Section 457A of the Code or any similar state or local laws (other than for withholding

obligations or other obligations applicable to employers, if any, under Section 409A or Section 457A of the Code).

ARTICLE 4
SHARES SUBJECT TO THE PLAN

4.1 **Option Limit.** Subject to adjustment as provided in Article 6, the Shares to be issued under the Plan shall consist of the Corporation's authorized but unissued Shares. The aggregate number of Shares to be reserved for the issuance upon the exercise of all Options granted under the Plan and all other Share Compensation Arrangements of the Corporation shall not exceed 10% of the issued and outstanding Shares at the time of grant of such Options, provided than the aggregate number of Shares to be reserved for the issuance upon the exercise of all Incentive Stock Options granted under the Plan and all other option plans of the Corporation shall not exceed 20,005,133. At all times the Corporation will reserve and keep available a sufficient number of Shares in such manner as it may consider appropriate in order to satisfy the requirements of all outstanding Options made under the Plan and all other outstanding but unvested Options made under the Plan that are to be settled in Shares.

4.2 **Award Limit.** The aggregate number of Shares to be reserved for issuance upon the exercise or redemption of all Awards, other than Options, granted under the Plan and all of the Corporation's other Share Compensation Arrangements shall not exceed **[●]**, or such other number as may be approved by the Exchange and the shareholders of the Corporation from time to time. At all times the Corporation will reserve and keep available a sufficient number of Shares in such manner as it may consider appropriate in order to satisfy the requirements of all outstanding Awards made under the Plan and all other outstanding but unvested Awards made under the Plan that are to be settled in Shares.

Notwithstanding the foregoing, the Corporation will not be deemed to be acting in contravention of the limits set out in this Article 4 as a result of any decrease in the number of issued and outstanding Shares following the grant of an Award and/or Option as a result of any issuer bid or redemption carried out in accordance with applicable law.

4.3 **Restrictions on Awards**. The allotment of Shares and the Corporation's obligation to issue Shares pursuant to this Plan are subject to the following conditions:

(a) subject to subsections Sections 4.3(b), 4.3(c), and 4.3(d) hereof, the maximum number of Shares issuable to any Eligible Person under the Plan, or when combined with all of the Corporation's other Share Compensation Arrangements, will not exceed more than 5% of the issued and outstanding Shares (on a non-diluted basis, calculated as at the time of the grant of such Awards) in any 12-month period, unless the Corporation has obtained disinterested shareholder approval in connection therewith;

(b) the maximum number of Shares issuable to any Consultant under the Plan, or when combined with all of the Corporation's other Share Compensation Arrangements, will not exceed more than 2% of the issued and outstanding Shares (on a non-diluted basis, calculated as at the time of the grant of such Awards) in any 12-month period;

(c) no Awards, other than Options, may be granted to any Investor Relations Services Provider;

(d) the aggregate number of Options granted to Investor Relations Service Providers shall not exceed 2% of the issued and outstanding Shares (on a non-diluted basis, calculated as at the time of the grant of such Options) in any 12-month period;

(e) Options granted to Investor Relations Service Providers shall vest in a period of not less than 12-months from the date of grant and with no more than 25% of the Options vesting in any three month period;

(f) other than as contemplated in Section 5.5(a) or a Participant who ceases being an Eligible Person as a result of events set out in Sections 6.1 or 6.5, no Award that may be settled in Shares, other than Options, may vest before the date that is one year following the date such Award is granted;

(g) the number of Shares that are issuable pursuant to Awards or Other Awards, or when combined with all of the Corporation's other Share Compensation Arrangements, issued to Insiders (as a group), shall not exceed 10% of the issued and outstanding Shares (on a non-diluted basis) at any point in time, unless the Corporation has obtained disinterested shareholder approval in connection therewith; and

(h) the number of Shares that are issuable pursuant to Awards or Other Awards, or when combined with all of the Corporation's other Share Compensation Arrangements, issued to Insiders (as a group), within any 12-month period, shall not exceed 10% of the issued and outstanding Shares (on a non-diluted basis), calculated as at the date any Award or Other Award is granted or issued to any Insider, unless the Corporation has obtained disinterested shareholder approval in connection therewith.

4.4 **Awards That Expire or Terminate or are Exercised**. If any Award granted hereunder shall expire or terminate for any reason without having been exercised or redeemed in full, the Shares underlying the Award shall again be available to be granted under the Plan. Any exercise of Options will make new grants of Options available under the Plan effectively resulting in a re-loading of the number of Shares available to be granted with respect to Options under the Plan.

4.5 **Restrictions on Exercise or Redemption**. Notwithstanding any of the provisions contained in the Plan or any Award, the Corporation's obligation to issue Shares to a Participant pursuant to the exercise or redemption of an Award shall be subject to:

(a) the completion of such registration or other qualification of such Shares or the approval of the Exchange or such other regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

(b) the admission of such Shares to listing on the Exchange; and

(c) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in

compliance with applicable securities laws and for the listing of such Shares on the Exchange. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain necessary shareholder, regulatory or stock exchange approval, then the obligation of the Corporation to issue such Shares shall terminate and any amounts paid by the Participant to the Corporation to exercise or redeem an Award shall be returned to the Participant.

4.6 **Non-Assignable**. An Award is personal to the Participant and is non-assignable and non-transferable, except with the prior written consent of the Corporation and any required consent of the Exchange and any other applicable regulatory authority. Notwithstanding the foregoing, an Award granted to a Consultant that is a company or partnership, may be assigned to a Management Company Employee of such Consultant.

4.7 **Substitute Awards**. Subject to Exchange approval, the Board may grant Awards under the Plan in substitution for share and share-based awards ("**Substitute Awards**") held by employees, directors, consultants or advisors of another company (an "**Acquired Company**") in connection with a merger, consolidation or similar transaction involving such Acquired Company and the Corporation or an Affiliate or the acquisition by the Corporation or an Affiliate of property or stock of the Acquired Company. The Board may direct that the Substitute Awards be granted on such terms and conditions as the Board considers appropriate in the circumstances. To the extent permitted by the Exchange or applicable law, the issuance of Substitute Awards shall not reduce the number of Shares available for issuance under the Plan. Notwithstanding the foregoing, any award of Substitute Awards shall comply with the restrictions set out in Section 4.3.

ARTICLE 5
ELIGIBILITY AND CEASING TO BE AN ELIGIBLE PERSON

5.1 **Eligible Persons**. Awards may only be granted to Eligible Persons. For Awards granted to Employees, Consultants or Management Company Employees, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

5.2 **Compliance with Laws**. Notwithstanding any provision contained in this Plan, no Participant may exercise or redeem any Award granted under this Plan and no Shares may be issued upon exercise or redemption of an Award unless such exercise or redemption and issuance are in compliance with all applicable securities laws or other legislation of the jurisdiction of residence of such Person and in compliance with the terms of the Plan. The Corporation may require, as a condition of the grant of an Award, that the potential Participant provide a written acknowledgement that the grant of the Award does not violate any such laws.

5.3 **Termination Date**. Subject to Section 5.4, 5.5 and 5.6 and any express resolution passed by the Board, all Awards, and all rights to acquire Shares pursuant thereto, granted to an Eligible Person shall expire and terminate immediately upon the Participant's Termination Date (subject to any contrary obligation under applicable employment standards legislation).

5.4 **Circumstances When Awards are Exercisable**. If, before the expiry of an Award in accordance with the terms thereof, a Participant ceases to be an Eligible Person for any reason whatsoever, other than termination by the Corporation for Cause (in which case all unexercised or unredeemed Awards (vested or unvested) expire and are cancelled immediately and the Participant waives any claim to damages in respect

thereof whether related or attributable to any contractual or common law termination entitlement or otherwise), such Awards may, subject to:

(a) the terms set out in the Award agreement or a Participant's employment agreement;

(b) any determination made by the Board to accelerate the vesting of or to extend the expiry of an Award, provided that (subject to Section 14.6) in no event will the expiry date of an Award be later than the 10th anniversary of the date of grant; and

(c) any other terms of the Plan,

be exercised or redeemed, as applicable:

(d) if the Participant is deceased, by the heirs of the Participant or by legal personal representative(s) of the estate of the Participant at any time within six months following the death of the Participant; or

(e) subject to any determination by the Board, by the Participant at any time within 90 days following the Termination Date.

But, in any case, subject to any determination of the Board, the exercise or redemption of the Award must be: (i) prior to the expiry of the RSU Grant Period, in respect of Restricted Share Units, (ii) prior to the expiry of the Fixed Term, in respect of Options, and (iii) prior to the expiry of the Award in the case of Other Awards under the Plan, and in each case only to the extent that the Award was vested or the Exercise Criteria was satisfied and the Participant was otherwise entitled to exercise the Award at the Termination Date. Notwithstanding the foregoing, in any event, a Participant shall not be entitled to exercise or redeem any Award following the date that is 12 months from the Termination Date.

5.5 **Death or Termination of Employment**.

(a) Notwithstanding Section 5.4, in the event of the death of a Participant while Actively Employed, all Awards granted to that Participant prior to the date of death shall be deemed to be vested in the Participant or to have had the Exercise Criteria relating thereto satisfied on the date of death.

(b) Except as specifically provided for in this Plan or in any Award agreement, or as otherwise agreed to or determined by the Board, if the employment of a Participant with the Corporation or any Affiliate is terminated for any reason prior to the exercise or redemption of any Award, then the Participant shall be deemed to have forfeited all right, title and interest with respect to any portion of any Award that is not vested or in respect of which the Exercise Criteria has not been satisfied upon the Termination Date and the Participant waives any claim to damages in respect thereof whether related or attributable to any contractual or common law termination entitlement or otherwise.

(c) Notwithstanding the foregoing, in the event that a Participant's employment with the Corporation or any Affiliate is terminated without Cause or if the Participant resigns from such employment then, at the sole and unfettered discretion of the Board, all or any portion of the Awards granted to that Participant may be deemed to have vested or to have had the Exercise Criteria relating thereto satisfied on the Termination Date.

5.6 **Another Listed Category**. Except as provided otherwise in the definition of "Termination Date," Awards shall not be affected in the event the Participant ceases to fall within a listed category contained in the definition of an "Eligible Person" hereunder where such Participant falls within another listed category of such definition.

ARTICLE 6
CERTAIN ADJUSTMENTS

6.1 **Offer for Shares**. In the event that any "take-over bid" (as defined in the Securities Act) for the Shares is made (an "**Offer**"), all Shares subject to outstanding Awards not then exercisable or redeemable shall thereupon become immediately exercisable or redeemable. Further, the Participant shall be entitled to include in the written notice of election to exercise or redeem all or any part of the Award that such Participant is electing to exercise or redeem the Award with the intention of tendering the Shares acquired upon such exercise or redemption into the Offer. If such election is made, in the event that the Offer is not completed and the relevant Shares are not taken up and paid for by the offeror under such Offer (or a competing Offer), the Participant shall, upon return of certificates representing such Shares, be deemed not to have exercised or redeemed the Award with respect to such Shares and the Corporation shall return to the Participant the subscription proceeds therefor and/or take such other actions to enable the parties to re-establish as closely as possible their situations and respective economic positions as they existed prior to the making of the Offer and had no Awards become exercisable or redeemable as a result thereof, while making allowance for taxation, regulatory and other irreversible events and consequences which may have intervened since the making of the Offer.

6.2 **Changes in Shares**. In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, acquisition, divestiture, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other change in the capital of the Corporation affecting Shares, the Board will, subject to Exchange approval, make such proportionate adjustments, if any, as the Board in its discretion may deem appropriate to reflect such change, with respect to (i) the number or kind of Shares or other securities reserved for issuance pursuant to this Plan; (ii) the number or kind of Shares or other securities subject to unexercised or unredeemed Awards previously granted; and (iii) the Option Price or the Market Price of a Share at the date of grant, as applicable, of Awards.

6.3 **No Fractional Shares**. The Corporation will not issue fractional Shares in satisfaction of any of its obligations hereunder.

6.4 **Accelerated Exercise or Redemption of Awards**. Notwithstanding any other provision of the Plan (other than Section 4.3(f)), the Board may at any time give written notice to all Participants advising that their respective Awards (other a than Deferred Share Unit) are all immediately exercisable or redeemable and may be exercised or redeemed only within 30 days of such written notice or such other period as determined by the Board and not thereafter and that all rights of the Participants under any Awards (other than a Deferred Share Unit) not exercised or redeemed within such period will terminate at the expiration of such period.

6.5 **Payment on Change of Control**. Notwithstanding any other provision of the Plan (other than Section 4.3(f)) or any Award agreement to the contrary, in the event of the occurrence of a Change of Control of the Corporation or of an Affiliate of which a Participant is an Employee, with respect to all RSU Grants, Options, Stock Appreciation Rights and Deferred Share Units that are outstanding for such

Participant on the date of completion of the Change of Control (the "**CoC Date**"), (i) all vesting criteria and Exercise Criteria, if any, applicable to such Restricted Share Units, Options, Stock Appreciation Rights, Deferred Share Units, or Other Awards shall be deemed to have been satisfied as of the CoC Date and (ii) except as may be otherwise provided under the terms of any other employee benefit plan approved by the Board, each Participant who has received any such RSU Grants, Options, Stock Appreciation Rights, or Other Awards shall be entitled to request to receive a cash payment as consideration for the surrender and cancellation of such RSU Grants, Options, Stock Appreciation Rights, or Other Awards to the Corporation equal to (A) in the case of a Restricted Share Unit or Other Awards, the Special Value (as defined below) and, (B) in the case of a Stock Appreciation Right or Option the excess of the Special Value over the Option Price (if any) in respect of such Option or Stock Appreciation Right, as applicable, in each case, payable on the date which is ten Business Days following the CoC Date. For greater certainty, the occurrence of a Change of Control will not trigger the right of a Participant to receive a payment in respect of a Deferred Share Unit prior to the Termination Date for such Participant.

For the purpose of this Section 6.5, the term "**Special Value**" means an amount determined as follows: (i) if any Shares are sold as part of the transaction constituting the Change of Control, then the Special Value shall equal the weighted average of the prices paid for those Shares by the acquirer, provided that if any portion of the consideration paid for such Shares by the acquirer is paid in property other than cash, then the Board (as constituted immediately prior to the CoC Date) shall determine the fair market value of such property as of the CoC Date for purposes of determining the Special Value; and (ii) if no Shares are sold as part of the transaction constituting the Change of Control, then the Special Value shall be the Market Price of a Share on the day immediately preceding the CoC Date.

ARTICLE 7
OPTIONS

7.1 **Grant of Options**. The Board may, from time to time, grant Options to Eligible Persons subject to the provisions this Plan; provided, however, that Incentive Stock Options may be granted only to Eligible Persons who are Employees of the Corporation or an Affiliate (as such definition is limited pursuant to the definition of "Eligible Person" as set forth herein) of the Corporation, and for the sake of clarity, a Director who is not an Employee will not be eligible to receive an Award of Incentive Stock Options.

7.2 **Option Exercise Term.** Options shall be for a Fixed Term and shall be exercisable from time to time as determined in the discretion of the Board at the time of grant, provided that, subject to Section 14.6, no Option shall have a term exceeding ten years (or such shorter period as is permitted by the Exchange from time to time).

7.3 **Terms of Options.** Subject to this Article 7, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions (including vesting) relating to each such Option shall be determined by the Board; provided, however, that if no specific determination is made by the Board with respect to any of the following matters, each Option shall, subject to any other specific provisions of the Plan, contain the following terms and conditions:

(a) the Fixed Term shall be ten years from the date the Option is granted to the Participant, and if the Option is an Incentive Stock Option, no Incentive Stock Option may be granted hereunder following the tenth (10th) anniversary of the earlier of (i) the date on which the

Plan is adopted by the Board and (ii) the date on which the shareholders of the Corporation approve the Plan;

(b) the Option Price shall be the Market Price of a Share on the date of the grant of the Option; and

(c) the Option shall vest in instalments, with the right to acquire 1/5th of the Shares subject to the Option vesting and becoming exercisable in whole or in part on the first anniversary of the date of grant of the Option, and the right to acquire a further 1/5th of the Shares subject to the Option vesting and becoming exercisable on each of the second, third, fourth and fifth anniversaries of the date of grant of the Option.

7.4 **Restrictions on Option Price**. The Option Price shall in no circumstances be lower than the greater of: (i) the price permitted by the Exchange; (ii) the price permitted by any other regulatory body having jurisdiction; and (iii) the Market Price. Subject to the policies of the Exchange (including the approval of the TSX Venture Exchange while the Shares are listed on same), notwithstanding the foregoing, in the case of an Option that is a Substitute Award, the Option Price may be less than the Market Price on the date of grant; provided, that such Option Price is determined in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code.

7.5 **Exercise of Options**.

(a) Subject to the provisions of the Plan and the alternative exercise and surrender procedures set out herein, a Participant who wishes to exercise his, her or its Options may do so by delivering:

(i) a written notice to the Chief Financial Officer of the Corporation in a form approved by the Board from time to time (the "**Exercise Notice**") specifying the number of Shares being acquired pursuant to the Option; and

(ii) a certified cheque, wire transfer or bank draft payable to the Corporation for the aggregate Option Price for the Shares being acquired, plus any required withholding tax amount pursuant to Section 14.4.

(b) Subject to any policies of the Exchange and the consent of the Corporation, a Participant may choose to undertake a "cashless exercise" with the assistance of a broker in order to facilitate the exercise of such Participant's Options. The "cashless exercise" procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Option Price for all Options being exercised by that Participant under an Exercise Notice and any applicable tax withholdings pursuant to Section 14.4. Pursuant to the Exercise Notice, the Participant may authorize the broker to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Corporation to satisfy the Option Price and any applicable tax withholdings, promptly following which the Corporation shall issue the Shares underlying the number of Options as provided for in the Exercise Notice.

(c) Subject to any policies of the Exchange and the consent of the Corporation (including any consideration with respect to withholding amounts as contemplated under Section 14.4), in lieu of exercising any vested Option in the manner described in Sections 7.5(a) and

7.5(b), and subject to Section 14.4, a Participant (other than an Investor Relations Service Provider) may complete a net exercise ("**Net Exercise**") with a properly completed notice of Net Exercise, in a form approved by the Board from time to time, and elect to receive that number of Shares calculated using the following formula:

A = (B * (C-D)) / C

Where:

A = the number of Shares to be issued to the Participant upon exercising such Options, provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

B = the number of Shares underlying the Options subject to the Net Exercise

C = subject to the policies of the Exchange, the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of the Shares traded for the five trading days immediately preceding the date of exercise of the Options subject to the Net Exercise

D = the Option Price of the Options subject to the Net Exercise

(d) Subject to any policies of the Exchange and the consent of the Corporation, where a Participant elects to exercise their Options pursuant to this Section 7.5, such Participant may choose to surrender such Options to the Corporation (the "**Surrender**"). In consideration for the Surrendered Options, the holder thereof shall be entitled to receive from the Corporation an amount in cash equal to the excess of, if any, the aggregate Market Price of the Shares underlying the Surrendered Options as of the exercise, over the aggregate Option Price of such Surrendered Options. All such Surrendered Options shall be cancelled and the holder thereof shall have no further entitlements with respect to such Surrendered Options other than to receive the cash amount contemplated by this Section 7.5(d), subject to applicable withholdings as contemplated by this Plan.

(e) Notwithstanding anything herein to the contrary, if the Board determines that any form of payment available hereunder would be in violation of Section 402 of the Sarbanes-Oxley Act of 2002, such form of payment shall not be available.

7.6 **Special Provisions Applicable to Incentive Stock Options**.

(a) No Incentive Stock Option may be granted to any Eligible Person who, at the time the Option is granted, owns directly, or indirectly within the meaning of Section 424(d) of the Code, stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation or of any parent or subsidiary thereof, unless such Incentive Stock Option (i) has an exercise price of at least one hundred ten percent (110%) of the Market Price on the date of the grant of such Option and (ii) cannot be exercised more than five (5) years after the date it is granted.

(b) To the extent that the aggregate Market Price (determined as of the date of grant) of Shares for which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Corporation and its Affiliates) exceeds $100,000, such excess Incentive Stock Options shall be treated as Nonqualified Stock Options.

(c) Each Participant who receives an Incentive Stock Option must agree to notify the Corporation in writing immediately after the Participant makes a Disqualifying Disposition of any Shares acquired pursuant to the exercise of an Incentive Stock Option.

ARTICLE 8
STOCK APPRECIATION RIGHTS

8.1 **Grants of Share Appreciation Rights**. The Board may grant rights ("**Stock Appreciation Rights**") to Eligible Persons either on a stand alone basis or in relation to any Option. Where a Stock Appreciation Right is granted in relation to an Option, it shall be a right in respect of the same number of Shares and shall have the same Option Price as the Option.

8.2 **Stock Appreciation Rights**. Subject to Sections 8.3 and 8.4, a Stock Appreciation Right is the right to receive a cash payment equal to the excess, if any, of:

(a) the Market Price of a Share on the date such Stock Appreciation Right is exercised over;

(b) the Option Price,

multiplied by the number of Shares in respect of which the Stock Appreciation Right is being exercised, less any amount required to be withheld by applicable law (the "**SAR Amount**").

8.3 **Terms of Stock Appreciation Rights Granted in Connection with an Option**. Stock Appreciation Rights granted in relation to an Option shall be exercisable only at the same time, by the same Persons and to the same extent, that the related Option is exercisable. Upon the exercise of any Stock Appreciation Right related to an Option, the corresponding portion of the related Option shall be surrendered to the Corporation and cancelled and upon the exercise of any Option which has an accompanying Stock Appreciation Right, the corresponding portion of the related Stock Appreciation Right shall be surrendered to the Corporation and cancelled. In the sole discretion of the Corporation, the Corporation may elect to satisfy the exercise of a Stock Appreciation Right by issuing to the Participant Shares which have a Market Price as at the date of exercise of the Stock Appreciation Right, equal to the SAR Amount.

8.4 **Terms of Stock Appreciation Rights Granted on a Stand Alone Basis**. Stock Appreciation Rights granted on a stand alone basis shall be granted on such terms as shall be determined by the Board and set out in the Award agreement (including any terms pertaining to vesting and settlement), provided that the Option Price shall not be less than the Market Price on the date of grant. Subject to the policies of the Exchange, notwithstanding the foregoing, in the case of a Stock Appreciation Right that is a Substitute Award, the Option Price per share for such Stock Appreciation Right may be less than the Market Price on the date of grant; provided, that such Option Price is determined in a manner consistent with the provisions of Section 409A of the Code.

ARTICLE 9
SHARE PURCHASE PROGRAM

9.1 **Grant of Options and/or Stock Appreciation Rights for Shares Purchased**. The Board may institute a share purchase program (the "**Share Purchase Program**") for SPP Eligible Persons pursuant to which the Board may grant to each SPP Eligible Person one Option and/or one Stock Appreciation Right for each Share purchased by the SPP Eligible Person up to a maximum number of Options and/or Stock

Appreciation Rights for any one SPP Eligible Person as may be reasonably determined from time to time by the Board.

9.2 **Terms of Grants Pursuant to Share Purchase Program**. Options and Stock Appreciation Rights granted pursuant to the Share Purchase Program shall be granted on such terms as shall be reasonably determined by the Board and set out in the Award agreement but shall otherwise be subject to the provisions of this Plan.

ARTICLE 10
RESTRICTED SHARE UNITS

10.1 **Grants of Restricted Share Units**. The Board may Grant rights ("**Restricted Share Units**") to Eligible Persons. The Board shall designate the number of Restricted Share Units granted.

10.2 **Restricted Share Units**. A Restricted Share Unit is the right, subject to the level of achievement of Exercise Criteria or vesting or other criteria determined by the Board at the date of the RSU Grant, to receive one Share for each Restricted Share Unit redeemed or a payment in cash determined in accordance with Section 10.5, less any amount required to be withheld by applicable law.

10.3 **Terms of Restricted Share Units**. Restricted Share Units shall be granted on such terms as shall be determined by the Board and set out in the Award agreement. Without limiting the generality of the forgoing, subject to the provisions of the Plan, the Board shall, in its sole discretion and from time to time, determine the Eligible Persons to whom RSU Grants will be made based on its assessment, for each Participant, of the current and potential contribution of such Eligible Person to the success of the Corporation. At such time, the Board shall also determine, in connection with each RSU Grant, the RSU Effective Date thereof, the number of Restricted Share Units to be allocated, the RSU Grant Period applicable thereto and any applicable vesting terms for such RSU Grant, the Exercise Criteria, if any, and such other terms and conditions which the Board considers appropriate to the RSU Grant in question (including any dividend equivalent entitlements), and which terms and conditions need not be identical as between any two RSU Grants, whether or not contemporaneous.

10.4 **Redemption of Restricted Share Units**. Subject to the provisions of the Plan and Award agreement, a Restricted Share Unit shall be redeemed and paid (or Shares issued) on the first Release Date following the satisfaction of the Exercise Criteria in respect of such Restricted Share Unit.

10.5 **Redemption in Cash**. Any Award agreement may provide that a Participant, or that Participant's estate, if applicable, may elect to have some or all of its Restricted Share Units described in such Award agreement settled by the payment of cash. If the Award agreement in question does not provide such election right to the Participant thereunder and also does not specify that there will be no election to settle Restricted Share Units by the payment of cash, then the Corporation will have the option to settle some or all of such Restricted Share Units by the payment of cash. Where a Participant is to receive cash in settlement of Restricted Share Units, then that Participant shall receive a cash payment equal to the number of Restricted Share Units being settled, multiplied by the Market Price on the Release Date applicable to such Restricted Share Units, less any amount required to be withheld by applicable law.

10.6 **Election to Subscribe for Shares**. Where a Participant is to receive cash in settlement of Restricted Share Units, the Participant may elect to apply all or part of such cash (less withholdings required under applicable law) to a subscription for Shares. Such an election must be made five Business Days prior

to the Release Date by delivery to the Corporation at its principal office of a written notice of election addressed to the Chief Financial Officer of the Corporation in a form approved by the Board from time to time setting out, among other things, the amount of such cash to be used to subscribe for Shares (such amount, the "**Subscription Amount**") and the registration particulars related thereto. Where a Participant elects to subscribe for Shares, then that Participant shall be entitled to that number of Shares as is equal to the Subscription Amount divided by the Market Price on the Release Date. Any Shares issued pursuant to this right will be issued on the Release Date, provided to the Participant as soon as practicable thereafter and will be considered Shares issued pursuant to the Plan.

ARTICLE 11
DEFERRED SHARE UNITS

11.1 **Grants of Deferred Share Units**. The Board may grant rights ("**Deferred Share Units**") to Eligible Persons who are Employees or Directors. The Board shall designate the number of Deferred Share Units granted.

11.2 **Deferred Share Units**. A Deferred Share Unit is the right to receive a cash payment equal to the Market Price of a Share on the Termination Date, less any amount required to be withheld by applicable law or, if applicable, one fully paid and non-assessable Share issued from treasury.

11.3 **Terms of Deferred Share Units**. Deferred Share Units shall be granted on such terms as shall be determined by the Board and set out in the Award agreement. Without limiting the generality of the forgoing, subject to the provisions of the Plan, the Board shall, in its sole discretion and from time to time, determine the Eligible Persons to whom grants will be made based on its assessment, for each Participant, of the anticipated contribution of such Eligible Person to the success of the Corporation. At such time, the Board shall also determine, in connection with each grant, the effective date thereof, the number of Deferred Share Units to be allocated, and such other terms and conditions which the Board considers appropriate to the grant in question, and which terms and conditions need not be identical as between any two grants, whether or not contemporaneous.

11.4 **Redemption of Deferred Share Units**. Subject to the provisions of the Plan and Award agreement, a Deferred Share Unit held by a Participant shall be redeemed by the Corporation on the Payout Date, unless otherwise agreed to between the Corporation and a Participant; provided that the Deferred Share Unit shall be redeemed no later than in the case of: (a) Canadian Employees, December 31 of the calendar year immediately following the calendar year in which the Termination Date occurs; and (b) Employees subject to taxation in the United States, two and one-half (2.5) months following the last day of the calendar year in which the Termination Date occurs.

11.5 **Deferred Share Units May be Payable in Cash or Shares**. Any Award agreement may provide that a Participant, or that Participant's estate, if applicable, may elect to have some or all of its Deferred Share Units described in such Award agreement settled by the delivery of Shares. If the Award agreement in question does not provide such election right to the Participant thereunder and also does not specify that there will be no election to settle Deferred Share Units by the issuance of Shares, then such Deferred Share Units shall only be settled by the payment of cash. For greater certainty, unless expressly provided in the Award agreement, the granting of a Deferred Share Unit does not entitle the holder thereof to acquire or otherwise obtain any rights or interests whatsoever in any Shares (including the right to dividends) or other securities of the Corporation. Participants have no right or ability to exercise, receive or otherwise demand payment of the value of Deferred Share Units granted to them prior to the Payout Date.

ARTICLE 12
OTHER AWARDS

12.1 **Grants of Other Awards**. The Board may grant other share-based awards ("**Other Awards**") to Eligible Persons. Other Awards shall be granted on such terms as shall be determined by the Board and set out in the Award agreement and will be subject to the approval of the Exchange.

ARTICLE 13
AMENDMENT PROCEDURE

13.1 **Amendment Procedure; Termination or Suspension of the Plan**. The Corporation retains the right to amend or terminate the terms and conditions of the Plan by resolution of the Board. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated; provided, however, that following any suspension or termination of the Plan, the Plan shall remain in effect for the purpose of governing all Awards then outstanding hereunder until such time as all Awards under the Plan have been terminated, forfeited, or otherwise canceled, or earned, exercised, settled, or otherwise paid out, in accordance with their terms. If required, any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the Exchange. Any amendment to the Plan shall take effect with respect to all outstanding Awards on the date of, and all Awards granted after, the effective date of such amendment, provided that in the event any amendment materially and adversely effects any outstanding Awards it may apply to such outstanding Awards only with the mutual consent of the Corporation and the Participant to whom such Awards have been granted. Subject to compliance with applicable laws and the policies of the Exchange, the Board shall have the power and authority to approve amendments relating to the Plan or to Awards, without further approval of the shareholders of the Corporation, including the following non-exhaustive list of such amendments:

(a) altering, extending or accelerating the terms and conditions of vesting of any Awards,

(b) accelerating the expiry of the Fixed Term of any Option;

(c) determining adjustments pursuant to Article 6 hereof;

(d) amending the definitions contained within the Plan, including but not limited to the definition of "**Eligible Person**" under the Plan except as provided in Section 13.2(e);

(e) amending or modifying the mechanics of exercise or redemption of the Awards as set forth in the Plan;

(f) effecting amendments of a "housekeeping" nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan;

(g) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);

(h) effecting amendments respecting the administration of the Plan; and

(i) effecting amendments necessary to suspend or terminate the Plan.

13.2 **Shareholder Approval**. Notwithstanding the foregoing, approval of the shareholders of the Corporation shall be required for the following types of amendments:

(a) increasing the number of Shares issuable under the Plan, except in the event of an adjustment contemplated by Article 6;

(b) amending the Plan which amendment could result in the aggregate number of Shares of the Corporation issued to Insiders within any one year period under the Plan together with any other Share Compensation Arrangement exceeding 10% of the issued and outstanding Shares;

(c) extending the Fixed Term of an Option beyond the expiry of the original Fixed Term of the Option (other than as a result of a Black-Out Period as set forth in Section 14.6); provided, that such extension of the Fixed Term of an Option complies with Section 409A or Section 422 of the Code, if applicable; *provided further that* extending the term of an Option held by an Insider shall not be effective until disinterested shareholder approval has been obtained;

(d) except as permitted pursuant to Article 6, (1) reducing the Option Price of an Option or cancelling an Option and replacing such Option with a lower Option Price under such replacement Option, (2) any other action that is treated as a repricing under general accounting principals, and (3) repurchasing for cash or canceling an Award in exchange for another Award at a time when its Option Price is greater than the Market Price of the underlying Shares, *provided that* reducing the Option Price of an Option held by an Insider or cancelling an Option held by an Insider and replacing such with a lower Option Price shall not be effective until disinterested shareholder approval has been obtained and, to the extent applicable, such reduction in the Option Price or issuance of a replacement Option is structured in a manner that complies with Section 409A or Section 422 of the Code;

(e) amending the listed categories contained in the definition of “Eligible Persons” hereunder which would have the potential of broadening or increasing participation in the Plan by Insiders;

(f) any amendment which would permit Awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes (and other than as set forth in Section 4.6);

(g) amending Section 13.1 hereof and this Section 13.2;

(h) amending the termination provisions of an Award; and

(i) making any amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

Where required by the policies of the Exchange, the shareholder approval required by this Section 13.2 shall be by the majority vote of the shareholders of the Corporation excluding any votes cast by Insiders who are entitled to participate as Eligible Persons under the Plan or who will specifically benefit from the

proposed amendment and as otherwise may be prescribed by the Exchange. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without an affected Participant's consent, the Board may amend the terms of the Plan or any one or more Awards from time to time as necessary to bring such Awards into compliance with applicable law, including, without limitation, Section 409A of the Code.

13.3 **Conflict**. In the event of any conflict between Sections 13.1 and Section 13.2, the latter shall prevail to the extent of the conflict.

ARTICLE 14
GENERAL

14.1 **No Rights as Shareholder**. The holder of an Award shall not have any rights as a shareholder of the Corporation with respect to any Shares covered by such Award until such holder shall have exercised or redeemed such Award and been issued Shares in accordance with the terms of the Plan and the Corporation shall issue such Shares to the Participant in accordance with the terms of the Plan in those circumstances.

14.2 **No Rights Conferred**.

(a) Nothing contained in this Plan or any Award shall confer upon any Participant any right with respect continuance as a Director, Officer, Employee, or Consultant or Management Company Employee of the Corporation or its Affiliates, or interfere in any way with the right of the Corporation or its Affiliates to terminate the Participant's employment at any time.

(b) Nothing contained in this Plan or any Award shall confer on any Participant who is not a Director, Officer, Employee, or Consultant or Management Company Employee any right to continue providing ongoing services to the Corporation or its Affiliates or affect in any way the right of the Corporation or its Affiliates to determine to terminate his, her or its contract at any time.

14.3 **Tax Consequences**. It is the responsibility of the Participant to complete and file any tax returns which may be required under any applicable tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. The Corporation shall not be responsible for any tax consequences to the Participant as a result of the Participant's participation in the Plan. The Participant shall remain responsible at all times for paying any federal, provincial, local and foreign income or employment related taxes due, if and as applicable, with respect to any Award, and the Corporation shall not be liable for any interest or penalty that a Participant incurs by failing to make timely payments of tax.

14.4 **Withholding Requirements**. Prior to the delivery of any Shares or cash pursuant to the grant, exercise, vesting, or settlement of an Award or Surrender of an Option (or upon the making of an election under Section 83(b) of the Code), the Corporation shall have the power and the right to deduct or withhold, or to require a Participant to remit to the Corporation, an amount sufficient to satisfy any federal, provincial, local and foreign taxes that the Corporation determines is required to be withheld to comply with applicable laws. The Corporation shall make any withholdings or deductions in respect of taxes as required by law or the interpretation or administration thereof. The Corporation shall be entitled to make arrangements to sell a sufficient number of Shares to be issued pursuant to the exercise of an Award to fund the payment and

remittance of such taxes that are required to be deducted or withheld and any associated costs (including brokerage fees).

14.5 **No Representation**. The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

14.6 **Black-out Period**. Awards shall be subject to the Corporation's insider trading policy as may be in effect from time to time, including any Black-out Period, trading prohibition or requirement to obtain mandatory pre-clearance of a transaction. Except where not permitted by the Exchange, where an Award would expire during a Black-Out Period or within ten Business Days following the end of a Black-Out Period, the term of such Award shall be automatically extended to the date which is ten Business Days following the end of such Black-Out Period.

14.7 **Governing Law**. This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and, following the redomiciliation of the Corporation to the State of Delaware, United States, in accordance with the laws of the State of Delaware.

14.8 **Severance**. If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation or this Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

14.9 **Clawback/Recoupment Policy**. Notwithstanding anything contained herein to the contrary, all Awards granted under the Plan shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board (or a committee or subcommittee of the Board) and, in each case, as may be amended from time to time. No such policy adoption or amendment shall in any event require the prior consent of any Participant, except as may be required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Corporation or any of its Affiliates. In the event that an Award is subject to more than one such policy, the policy with the most restrictive clawback or recoupment provisions shall govern such Award, subject to applicable law.

ARTICLE 15
SHAREHOLDER AND REGULATORY APPROVAL

15.1 This Plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation, and to acceptance by the Exchange and any other relevant regulatory authority. Any Awards granted hereunder prior to such approval and acceptance (other than grants made under the Prior Plans prior to the effective date of the Plan) shall be conditional upon such approval and acceptance being given, and no such Awards may be exercised unless and until such approval and acceptance is given.

* * *

APPENDIX "D"
SECTION 191 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)

Shareholder's right to dissent

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the Company resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,

(b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the Company may carry on,

(b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),

(c) amalgamate with another corporation, otherwise than under section 184 or 187,

(d) be continued under the laws of another jurisdiction under section 189, or

(e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the Company resolves to amend its articles in a manner described in that section.

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the Company the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the Company a written objection to a resolution referred to in subsection (1) or (2)

(a) at or before any meeting of shareholders at which the resolution is to be voted on, or

(b) if the Company did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

(a) by the Company, or

(b) by a shareholder if the shareholder has sent an objection to the Company under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the Company shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the Company is the applicant, or

(b) within 10 days after the Company is served with a copy of the application, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the Company for the purchase of the shareholder's shares by the Company, in the amount of the Company's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the Company and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,

(c) the payment to the shareholder of all or part of the sum offered by the Company for the shares,

(d) the deposit of the share certificates with the Court or with the Company or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the Company and in favour of each of those dissenting shareholders,

(c) fixing the time within which the Company must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

(a) the action approved by the resolution from which the shareholder dissents becoming effective,

(b) the making of an agreement under subsection (10) between the Company and the dissenting shareholder as to the payment to be made by the Company for the shareholder's shares, whether by the acceptance of the Company's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the Company and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the shareholder's dissent, or

(b) the Company may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the Company shall, within 10 days after

(a) the pronouncement of an order under subsection (13), or

(b) the making of an agreement between the shareholder and the Company as to the payment to be made for the shareholder's shares, notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the Company within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the Company is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder 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.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the Company is or would after the payment be unable to pay its liabilities as they become due, or

(b) the realizable value of the Company's assets would by reason of the payment be less than the aggregate of its liabilities.

APPENDIX "E"
COMPARISON OF THE BUSINESS CORPORATIONS ACT (ALBERTA) AND THE DELAWARE GENERAL COMPANY LAW

The Redomiciliation will affect the rights of the Shareholders as they exist under the ABCA. Set forth below is a comparative summary of the material rights, duties and obligations of corporations incorporated under the DGCL and the ABCA and of the rights of Shareholders as holders of Westaim Delaware Shares under the DGCL as compared to holders of Common Shares under the ABCA.

The rights of holders of Common Shares are currently governed by the laws of the Province of Alberta (particularly the ABCA), the Company's articles of amendment and the Company's by-laws. Upon consummation of the Redomiciliation, the rights of holders of shares of Westaim Delaware Shares will be governed by the laws of the State of Delaware (particularly the DGCL), as well as the certificate of incorporation and the by-laws of Westaim Delaware.

While it is not practical to summarize all of the legal differences between the rights of holders of Westaim Delaware Shares as governed by the DGCL and the rights of holders of Common Shares as governed by the ABCA, certain principal differences that could materially affect the rights of holders of Common Shares are set forth below. The following summary is not a substitute for direct reference to applicable legislation (Delaware and Alberta), the certificate of incorporation and the by-laws of Westaim Delaware, or for professional interpretation of such documents, and is qualified by reference thereto. **The following summary does not purport to be complete or exhaustive and Shareholders should therefore consult their legal and tax advisors regarding the implications of the Redomiciliation which may be of particular importance to them.**

	Company Shareholder Rights	**Westaim Delaware Stockholder Rights**
Capital Structure	Under the Current Alberta articles of amendment, the Company is authorized to issue an unlimited number of common shares, without par value, an unlimited number of Class A preferred shares issuable in series, without par value, an unlimited number of Class B preferred shares issuable in series, without par value. For a summary of the rights attaching to such shares, see "*Information Concerning The Company – Description of Share Capital*". Under Alberta law, the directors may fix the number of shares of, and determine the designations, rights, privileges, restrictions and conditions attaching to, each series of preferred shares.	Under Delaware law, the powers, preferences and rights, and the qualifications, limitations or restrictions in respect of any series of preferred stock must be set forth in the certificate of incorporation, or, if authority is vested in the board of directors by the certificate of incorporation, in the resolutions providing for the issuance of such series of preferred stock.
Shareholder Approval; Vote on Extraordinary Corporate Transactions	Alberta law generally requires a vote of shareholders on a greater number and diversity of corporate matters than Delaware law. Furthermore, many matters requiring shareholder approval under Alberta law must be approved by a special resolution passed by not less than a two-thirds majority of the votes cast by shareholders who voted on those matters. These extraordinary corporate actions include certain amalgamations, changes to authorized share structure, continuances, liquidations and dissolutions, and sales, leases or exchanges of all or	Under Delaware law, a sale, lease or exchange of all or substantially all the property or assets of a Delaware corporation requires the approval of the holders of a majority of the outstanding voting power of the Company. Mergers or consolidations also generally require the approval of the holders of a majority of the outstanding voting power of the Company. However, shareholder approval is generally not required by a Delaware corporation if such corporation's certificate of incorporation is not amended by the merger; each share of stock of such

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	substantially all the assets of a corporation other than in the ordinary course of business. A special resolution is a resolution (a) passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of the resolution at a meeting duly called and held for that purpose; or (b) signed by all shareholders entitled to vote on the resolution. In certain cases, an action that prejudices, adds restrictions to or interferes with rights or privileges attached to issued shares of a class or series of shares must be approved separately by the holders of the class or series of shares being affected by special resolution. Under the ABCA, arrangements are permitted and a company may make any proposal it considers appropriate "if it is impracticable to effect the arrangement" under the other provisions of the ABCA. In general, a plan of arrangement is approved by a company's board of directors and then is submitted to a court for approval. It is typical for a company in such circumstances to apply to a court initially for an interim order governing various procedural matters prior to calling any security holder meeting to consider the proposed arrangement. Under the ABCA, the court has the discretion to determine whether a plan of arrangement must be approved by shareholders, and the requisite minimum voting threshold. The court also determines, among other things, to whom notice shall be given and whether, and in what manner, approval of any person is to be obtained and also determines whether any shareholders may dissent from the proposed arrangement and receive payment of the fair value of their shares. Following compliance with the procedural steps contemplated in an interim order, as applicable, (including as to obtaining security holder approval), the court would conduct a final hearing and approve or reject the proposed arrangement.	corporation outstanding immediately prior to the merger will be an identical outstanding share of the surviving corporation after the effective date of the merger; and if the number of shares of common stock, including securities convertible into common stock, issued in the merger does not exceed 20% of such corporation's outstanding common stock immediately prior to the effective date of the merger. In addition, shareholder approval is not required by a Delaware corporation if it is the surviving corporation in a merger with a subsidiary in which its ownership was 90% or greater. Finally, unless required by its certificate of incorporation, shareholder approval is not required under Delaware law for a corporation to merge with or into a direct or indirect wholly owned subsidiary of a holding company (as defined under Delaware law) in certain circumstances.
Compulsory Acquisition; Short-Form Merger	The ABCA provides that if, within 120 days after the making of an offer to acquire shares, or any class of shares, of a company, the offer is accepted by the holders of not less than 90% of the shares (other than the shares held by the offeror or an affiliate or associate of	Under the DGCL, a corporation which owns at least 90% of the shares of each class of stock of a second corporation may unilaterally merge with the second corporation without the vote of the second

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	the offeror) of any class of shares to which the offer relates, the offeror is entitled, upon giving proper notice within 180 days after the date of the offer, to acquire (on the same terms on which the offeror acquired shares from those holders of shares who accepted the offer) the shares held by those holders of shares of that class who did not accept the offer. Offerees may apply to the court, within 20 days of receiving notice, and the court may set a different price or terms of payment or make any consequential orders or directions as it considers appropriate.	corporation's board of directors or stockholders.
Amendments to the Governing Documents	Under Alberta law, amendments to the articles of incorporation generally require the approval of not less than two-thirds of the votes cast by shareholders who vote on the resolution. Under Alberta law, the directors may make, amend or repeal any by-law unless the articles of incorporation, unanimous shareholders' agreement or by-laws provide otherwise. When directors make, amend or repeal a by-law, they are required under the ABCA to submit the change to shareholders at the next meeting of shareholders. Shareholders may confirm, reject or amend the by-law, amendment or repeal by a majority of the votes cast by shareholders who voted on the resolution.	Under Delaware law, an amendment to a corporation's certificate of incorporation requires the approval by the holders of a majority of the outstanding voting power. Under Delaware law, the holders of outstanding shares of a class of stock are entitled to vote as a class on a proposed amendment to increase or decrease the number of authorized shares of such class unless the certificate of incorporation provides that such number of shares may be increased or decreased by the affirmative vote of holders of a majority of the voting power of the outstanding shares entitled to vote. In addition, under Delaware law, if the amendment to the certificate of incorporation would increase or decrease the par value of the shares of a class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely, that class is entitled to vote separately on the amendment whether or not it is designated as voting stock. Furthermore, under Delaware law if the proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for purposes of the class vote. Delaware law reserves the power to the shareholders to adopt, amend or repeal the bylaws unless the certificate of incorporation confers such power on the board of directors in addition to the shareholders.
Place of Meetings	Alberta law provides that meetings of shareholders must be held at the place within Alberta provided in the by-laws or, in the	Delaware law provides that meetings of the shareholders may be held at any place in or out of Delaware as determined by the board

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	absence of such provision, at the place within Alberta that the directors determine. A meeting of shareholders may be held at a place outside of Alberta if the place is specified in the articles of incorporation or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. The Company's articles of amendment contain such a provision. Voting at a shareholders meeting may be conducted by means of a telephone or other communication facilities that permit all persons participating in the meeting to hear or otherwise communicate with each other if (a) the bylaws of the Company so provide, or (b) subject to the bylaws, all the shareholders entitled to vote at the meeting consent.	of directors or, if so determined by the board of directors, may be held by means of remote communication as provided under Delaware law.
Call of Meetings	Alberta law provides that the board of directors may at any time call a special meeting of shareholders, and that holders of not less than five percent of the issued voting shares may give notice to the directors requiring them to call and hold a special meeting of shareholders for the purpose stated in the notice. If the directors do not call such a meeting within 21 days after receiving the requisition, the requisitioning shareholders or any of them may call the meeting.	Delaware law provides that a special meeting of the shareholders may be called by the board of directors or by any person or persons as may be authorized by the certificate of incorporation or bylaws.
Quorum of Stockholders	Alberta law provides that, unless the by-laws provide otherwise, a quorum of shareholders is present at a meeting of shareholders (irrespective of the number of persons actually present at the meeting) if holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. The current by-laws provide that a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder for an absent shareholder so entitled, and together holding or representing by proxy not less than 25% of the outstanding Common Shares entitled to vote at the meeting.	Under Delaware law, the certificate of incorporation or bylaws may specify the required quorum, but a quorum may consist of no less than one-third of the total voting power.
Presentation of Nominations and Proposals at Meetings of Stockholders	Alberta law provides that a shareholder holding at least one percent of the total number of outstanding voting shares, or voting shares with a fair market value of at least C$2,000, in either case for a period of at least six months, and has the support of other	Delaware law does not provide procedures for stockholders to nominate individuals to serve on the board of directors or to present other proposals at meetings of stockholders.

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	shareholders holding not less than 5% of the outstanding voting shares, may submit proposals to the annual meeting of shareholders. A proposal that includes nominations for the election of directors must be signed by one or more holders holding at least five percent of the voting shares. A shareholder may also nominate directors at a meeting of shareholders.	
Stockholder Consent in Lieu of Meeting	Under Alberta law, shareholders can take action by written resolution and without a meeting only if all shareholders entitled to vote on that resolution sign the written resolution. A written consent resolution is as valid and effective as if it were a resolution passed at a meeting of shareholders.	Under Delaware law, unless otherwise limited by the certificate of incorporation, stockholders may act by written consent without a meeting if holders of outstanding stock representing not less than the minimum number of votes that would be necessary to take the action at an annual or special meeting execute a written consent providing for the action.
Director Qualification and Number	The ABCA states that a distributing corporation must have no fewer than three directors, at least two of whom are not officers or employees of the Company or its affiliates.	Delaware law has no similar requirements; however, the governance standards of all major U.S. stock exchanges require the majority of a listed company's board of directors to be independent. Under Delaware law, the number of directors is fixed by, or in the manner provided in, the bylaws of a corporation, unless the certificate of incorporation fixes the number of directors.
Vacancies And Newly Created Directorships	Under the ABCA, if as a result of one or more vacancies, the number of directors in office falls below the number required for a quorum, the remaining directors shall call a special meeting of shareholders to fill the vacancy, and if the remaining directors fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder. Under the ABCA, a vacancy among the directors created by the removal of a director may be filled by the shareholders at the meeting at which the director is removed or, if not filled by the shareholders at such meeting, by the remaining directors. In the case of a vacancy caused by the death, resignation or disqualification to act as a director under the ABCA, the remaining directors may fill the vacancy. However, directors may not fill a vacancy created that resulted from an increase in the minimum or maximum number of directors or a failure to elect the number or minimum number of	Under Delaware law, vacancies and newly created directorships may be filled by a majority of directors then in office unless the certificate of incorporation or the bylaws otherwise provide.

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	directors provided for in the articles of incorporation. The board of directors of an Alberta corporation may, if the articles of incorporation so provide, appoint one or more additional directors between annual meetings for a term expiring not later than the next annual meeting of shareholders, but the total number of directors so appointed by the directors may not exceed one third of the number of directors elected at the previous annual meeting. The Company's current articles do not contain this provision. If the shareholders approve an amendment to the articles to increase or decrease the number or minimum or maximum number of directors, they may at the meeting elect the number of directors authorized by the amendment.	
Removal of Directors	The ABCA provides that the shareholders may remove a director by ordinary resolution at a special meeting of shareholders.	Under Delaware law, any director may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.
Fiduciary Duty of Directors	Directors of a corporation incorporated or organized under the ABCA have fiduciary obligations to the Company and its stockholders. Under these fiduciary obligations, the directors must act in accordance with the so-called duty of care. The ABCA requires directors of a Canadian corporation, in exercising their powers and discharging their duties, to act honestly and in good faith with a view to the best interests of the Company, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and to act in accordance with the ABCA and the regulations thereunder, and the articles and bylaws of the Company. These statutory duties are in addition to duties under common law and equity.	Directors of a corporation incorporated or organized under the DGCL have fiduciary obligations to the Company and its stockholders. Under these fiduciary obligations, the directors must act in accordance with the so-called duty of care. Under Delaware common law, directors have a duty of care and a duty of loyalty. The duty of care requires that the directors act in an informed and deliberative manner and inform themselves, prior to making a business decision, of all material information reasonably available to them. The duty of loyalty is the duty to act in good faith, not out of self-interest, and in a manner which the directors reasonably believe to be in the best interest of the stockholders.
Personal Liability of Directors	The ABCA prescribes circumstances where directors can be liable for malfeasance or nonfeasance. Certain actions to enforce a liability imposed by the ABCA must be brought within two years from the date of the resolution authorizing the act complained of. A director will be deemed to have complied with his fiduciary obligations to the	Delaware law provides that a corporation's certificate of incorporation may limit or eliminate the liability of directors to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that the provision in the certificate of incorporation may not eliminate or limit the liability of a director for: • a breach of the duty of loyalty;

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	Company under certain sections of the ABCA if he relied in good faith on: • financial statements represented to him by an officer or in a written report of the auditor fairly to reflect the financial condition of the Company; or • a report of a person whose profession lends credibility to a statement made by the professional person. The ABCA also contains other provisions limiting personal liability of a corporation's directors. Under the ABCA, the directors of a company who vote for or consent to a resolution that authorizes the company to, *inter alia:* (a) pay a commission on the sale of shares not provided for under the ABCA; (b) pay a dividend, purchase, redeem or otherwise acquire shares in circumstances where the company is insolvent, or the payment of the dividend would render the company insolvent; (c) make a payment of an indemnity to an indemnifiable person in violation of the ABCA; (d) provide financial assistance in violation of the ABCA; or (e) make a payment to a shareholder in violation of the ABCA, are, in each case, jointly and severally liable to restore to the company any amount paid or distributed as a result and not otherwise recovered by the company. In addition, the directors of a company who vote for or consent to a resolution that authorizes the issue of a share that is not fully paid are jointly and severally liable to the company to make good any amount by which the consideration received is less than the fair equivalent of the money that the company would have received if the shares had been issued for money on the date of that resolution. Notwithstanding the foregoing, under the ABCA, a director is not subject to statutory liability for the foregoing if the director did not know and could not reasonably have known that the share was issued for a consideration less than the fair equivalent of the money that the corporation would have received if the share had been issued for money.	• acts or omissions not in good faith, which involve intentional misconduct or which involve a knowing violation of law; • payment of unlawful dividends; • expenditure of funds for unlawful stock repurchases or redemptions; • any transactions from which such director derived an improper personal benefit; or • any act or omission occurring prior to the date when such provision becomes effective.

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Indemnification of Officers and Directors	Under the ABCA, a company may indemnify: (a) a current or former director or officer of that company; (b) a current or former director or officer of another corporation if, at the time such individual held such office, the corporation was an shareholder or creditor of the company, and if such individual acted at the company's request; or (c) the foregoing individual's heirs and legal representatives (each, an "indemnifiable person") against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the director or officer in respect of any civil, criminal, administrative, investigative or other action or proceeding in which he or she is involved by reason of being or having been a director or officer of the company or another company (as set out above), if: (a) the individual acted honestly and in good faith with a view to the best interests of the company; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful. A company may advance funds to an indemnified person to defray the costs, charges and expenses incurred by an indemnifiable person in respect of that proceeding, provided that if it is ultimately determined that the payment of expenses was prohibited, the indemnifiable person will repay any amount advanced. Subject to the aforementioned prohibitions on indemnification, a company must pay all costs, charges and expenses reasonably incurred by an indemnifiable person in connection with the defence of any civil, criminal, administrative, investigative or other action or proceeding in which the person is involved by reason of being or having been a director or officer of the corporation or body corporate, if the person seeking indemnity: (a) was not judged by a court or competent authority to have committed any fault or omitted to do anything that the person ought to have done; and (b) (i) the individual acted honestly and	Delaware law permits indemnification of present or former directors, officers, employees and agents made a party, or threatened to be made a party, to any third party proceeding by reason of the fact that such person is or was a director, officer, employee or agent of the Company, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person: • acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company; and • with respect to any criminal action or proceeding, had no reasonable cause to believe that such conduct was unlawful. In a derivative action, or an action by or in the right of the Company, the Company is permitted by Delaware law to indemnify directors, officers, employees and agents against expenses actually and reasonably incurred by them in connection with the defense or settlement of an action or suit if they acted in good faith and in a manner that they reasonably believed to be in or not opposed to the best interests of the Company. However, in such a case, no indemnification shall be made if the person is adjudged liable to the Company, unless and only to the extent that, the court in which the action or suit was brought or the Court of Chancery of the State of Delaware shall determine upon application that such person is fairly and reasonably entitled to indemnity for such expenses despite such adjudication of liability. The DGCL allows a corporation to advance expenses before the resolution of an action, if in the case of current directors and officers, such persons agree to repay any such amount advanced if they are later determined not to be entitled to indemnification. A provision of Delaware law states that the indemnification provided by statute shall not be deemed exclusive of any other rights under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. Delaware corporate law may permit

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	in good faith with a view to the best interests of the company; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful. As permitted by the ABCA, the Company's bylaws require the Company to indemnify directors or officers of the Company, former directors or officers of the Company or other individuals who, at the Company's request, act or acted as directors or officers or in a similar capacity of another entity of which the Company is or was a shareholder or creditor to the extent permitted by the ABCA. Because the Company's bylaws require that indemnification be subject to the ABCA, any indemnification that the Company provides is subject to the same restrictions set out in the ABCA which are summarized, in part, above. Alberta corporate law and the current by-laws of the Company may permit indemnification for liabilities under the U.S. Securities Act or the Exchange Act.	indemnification for liabilities under the U.S. Securities Act or the Exchange Act.
Derivative Action	Under the ABCA, a complainant, who is defined as either a present or former registered holder or beneficial owner of a security of a corporation or any of its affiliates; a present or former director or officer of a corporation or any of its affiliates; certain creditors; or any other person who, in the discretion of a court, is a proper person to make an application under the part of the ABCA dealing with remedies, offences or penalties, may apply to the court for the right to bring an action in the name of and on behalf of a corporation or any of its subsidiaries, or to intervene in an existing action to which a corporation or any of its subsidiaries are a party for the purpose of prosecuting, defending or discontinuing the action on behalf of the Company or subsidiary. Under the ABCA, the court must be satisfied that: • the complainant has given reasonable notice to the directors of the Company or its subsidiary of the complainant's intention to apply to the court if the directors of the Company or its subsidiary do not bring, diligently	In Delaware, a stockholder may bring a derivative action on behalf of a corporation to enforce a corporate right, including the breach of a director's duty to the Company. Delaware law requires that the plaintiff in a derivative suit be a stockholder of the Company at the time of the wrong complained of and remain so through the duration of the suit; that the plaintiff make a demand on the directors of the Company to assert the corporate claim unless the demand would be futile; and that the plaintiff be an adequate representative of the other stockholders.

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	prosecute or defend or discontinue the action; • the complainant is acting in good faith; and • it appears to be in the interests of the Company or its subsidiary that the action be brought, prosecuted, defended or discontinued. Under the ABCA, the court in a derivative action may make any order it thinks fit including orders pertaining to the control or conduct of the lawsuit or the making of payments to former and present shareholders and payment of reasonable legal fees and disbursements incurred by the complainant.	
Dissenter's Rights	The ABCA provides that stockholders of a corporation entitled to vote on certain matters are entitled to exercise dissent rights and demand payment for the fair value of their shares. Dissent rights exist when there is a vote upon matters such as: • an amalgamation with another corporation (other than with certain affiliated corporations); • an amendment to the Company's articles to add, change or remove any provisions restricting or constraining the issue or transfer of shares; • an amendment to the Company's articles to add or remove an express statement establishing the unlimited liability of shareholders; • an amendment to the Company's articles to add, change or remove any restriction upon the business or businesses that the Company may carry on; • a continuance (reincorporation) under the laws of another jurisdiction; • a sale, lease or exchange of all or substantially all the property of the Company other than in the ordinary course of business; and • an arrangement proposed by the Company where there is a court order permitting a shareholder to dissent in connection with an application to the court for an order approving the arrangement.	Under Delaware law, stockholders who have neither voted in favor of or consented to a merger or consolidation have the right to seek appraisal in connection with certain mergers or consolidations by demanding payment in cash for their shares equal to the fair value of such shares. Fair value is determined by a court in an action timely brought by the dissenters. In determining fair value, the court may consider all relevant factors, including the rate of interest which the resulting or surviving corporation would have had to pay to borrow money during the pendency of the court proceeding. Delaware law grants appraisal rights only in the case of certain mergers or consolidations and not in the case of other fundamental changes, such as the sale of all or substantially all of the assets of the Company or amendments to the certificate of incorporation, unless so provided in the Company's certificate of incorporation. Further, no appraisal rights are available for shares of any class or series listed on a national securities exchange or held of record by more than 2,000 stockholders. However, appraisal rights are available if the agreement of merger or consolidation does not convert such shares into: • stock of the surviving corporation, • stock of another corporation which is listed on a national securities exchange or held of record by more than 2,000 stockholders,

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	However, a shareholder is not entitled to dissent if an amendment to the articles of incorporation is effected by a court order approving a reorganization or by a court order made in connection with an action for an oppression remedy. A court may make an order permitting a shareholder to dissent in certain circumstances.	• cash in lieu of fractional shares, or • some combination of the above. In addition, dissenters' rights are not available for any shares of the surviving corporation if the merger did not require the vote of the stockholders of the surviving corporation.
Oppression Remedy	Under the ABCA, a complainant has the right to apply to a court for an order where an act or omission of the Company or an affiliate effects a result, or the business or affairs of which are or have been carried on or conducted in a manner, or the directors' powers are or have been exercised in a manner, that would be oppressive or unfairly prejudicial to or would unfairly disregard the interest of any security holder, creditor, director or officer of the Company. On such application, the court may make any interim or final order it thinks fit to rectify the matters complained of, including an order restraining the conduct complained of. The oppression remedy provides the court with broad and flexible jurisdiction to intervene in corporate affairs to protect shareholders. While conduct that is in breach of fiduciary duties of directors or that is contrary to the legal right of a complainant will normally trigger the court's jurisdiction under the oppression remedy, the exercise of that jurisdiction does not depend on a finding of a breach of such legal and equitable rights.	There are no equivalent statutory remedies under the Delaware General Corporation Law; however, stockholders may be entitled to remedies for a violation of a director's fiduciary duties under Delaware common law.
Advance Notification Requirements for Proposals of Shareholders	Under the ABCA, a proposal may be made by certain registered or beneficial holders of shares entitled to be voted at an annual meeting of shareholders. To be eligible to submit such a proposal, a shareholder must be the registered or beneficial holder of, or have the support of the registered or beneficial holders of, (a) at least 1% of the total number of outstanding voting shares of the company; or (b) voting shares whose fair market value is at least $2,000. Such registered or beneficial holder(s) must have held such shares for an uninterrupted period of at least six months immediately prior to the date of the submission of the proposal.	The DGCL does not contain any limits on or requirements for stockholders to propose business for annual meetings.

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	The proposal must be also supported by other registered holders or beneficial owners of shares is at least 5% of the issued voting shares of the company. A proposal under the ABCA must include the name and address of the person submitting the proposal, the names and addresses of the person's supporters and the number of shares of the company, carrying the right to vote at annual general meetings that are owned by such person(s). If the proposal and a written statement in support of the proposal (if any) are submitted at least 90 days before the anniversary date of the previous annual meeting and the proposal and written statement (if any) meet other specified requirements, then the company must either set out the proposal, including the names and mailing addresses of the submitting person and supporters and the written statement (if any), in the proxy circular of the company or attach the proposal and written statement thereto. The Company may also refuse to process a proposal in certain other circumstances including: (a) it clearly appears that the proposal has been submitted primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the company, its directors, officers or security holders or any of them, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes; (b) the Company, at the request of the registered holder or beneficial owner of shares, included a proposal in a management proxy circular relating to a meeting of shareholders held within 2 years preceding the receipt of the request, and the registered holder or beneficial owner of shares failed to present the proposal, in person or by proxy, at the meeting; (c) substantially the same proposal was submitted to registered holders or beneficial owners of shares in a management proxy circular or a dissident's proxy circular relating to a meeting of shareholders held within 2 years preceding the receipt of the request of the registered holder or beneficial owner of shares and the proposal was defeated; or (d) the rights being	

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	conferred to the shareholder to submit a proposal are being abused to secure publicity. If a company refuses to process a proposal, the company shall notify the person making such proposal in writing within 10 days after its receipt of the proposal of its decision in relation to the proposal and the reasons therefor. In any such event, the person submitting the proposal may make application to a court for a review of the company's decision and a court may restrain the holding of the annual general meeting and make any further order it considers appropriate. In addition, a company or any person claiming to be aggrieved by a proposal may apply to a court for an order permitting or requiring the company to refrain from processing the proposal and the court may make such order as it considers appropriate.	
Business Combinations with Interested Stockholders	There is no comparable provision relating to business combinations under the ABCA but restrictions on business combinations do exist under applicable Canadian securities laws. However, the policies of Canadian securities regulatory authorities, including the Alberta Securities Commission, have addressed related party transactions in MI 61-101. In a related party transaction, among other things, an issuer acquires or transfers an asset or treasury securities, or assumes or transfers a liability, from or to a related party in one or any combination of transactions. A related party is defined in the policies to include directors, senior officers and holders of at least 10% of the issuer's voting securities. MI 61-101 requires detailed disclosure in the proxy material sent to security holders in connection with a related party transaction. In addition, subject to certain exceptions, the policies will require (a) the proxy material to include a formal valuation of the subject matter of the related party transaction and any non-cash consideration, including a summary of the valuation; and (b) that the affected security holders of the issuer, other than the related party and its affiliates, approve the transaction by a separate vote.	Under Section 203 of DGCL ("**Section 203**"), certain "business combinations" with "interested stockholders" of Delaware corporations are subject to a three-year moratorium unless specified conditions are met. Section 203 prohibits a Delaware corporation from engaging in a "business combination" with an "interested stockholder" for three years following the date that such person becomes an interested stockholder. With certain exceptions, an interested stockholder is a person or group who or which owns 15% or more of the Company's outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the Company and was the owner of 15% or more of such voting stock at any time within the previous three years. For purposes of Section 203, the term "business combination" is defined broadly to include: (a) mergers with or caused by the interested stockholder; (b) sales or other dispositions to the interested stockholder (except proportionately with the Company's other stockholders) of assets of the Company or a subsidiary equal to ten percent or more

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		of the aggregate market value of the Company's consolidated assets or its outstanding stock; (c) the issuance or transfer by the Company or a subsidiary of stock of the Company or such subsidiary to the interested stockholder (except for transfers in a conversion or exchange or a pro rata distribution or certain other transactions, none of which increase the interested stockholder's proportionate ownership of any class or series of the Company's or such subsidiary's stock); or (d) receipt by the interested stockholder (except proportionately as a stockholder), directly or indirectly, of any loans, advances, guarantees, pledges or other financial benefits provided by or through the Company or a subsidiary. The three-year moratorium imposed on business combinations by Section 203 does not apply if: (a) prior to the date on which such stockholder becomes an interested stockholder the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested stockholder; (b) the interested stockholder owns 85% of the Company's voting stock upon consummation of the transaction which made him or her a 15% stockholder (excluding from the 85% calculation shares owned by directors who are also officers of the target corporation and shares held by employee stock plans which do not permit employees to decide whether to accept a tender or exchange offer); or (c) on or after the date such person becomes an interested stockholder, the board approves the business combination and it is also approved at a stockholder meeting by 66 2/3% of the voting stock not owned by the interested stockholder. Section 203 only applies to certain publicly held Delaware corporations which have a class of voting stock that is (a) listed on a national securities exchange or (b) held of record by more than 2,000 stockholders.
Access to Corporate Records	Under the ABCA, directors and shareholders may examine, without charge: • a corporation's articles of incorporation, by-laws, and any unanimous shareholder agreement;	Delaware law allows any stockholder to inspect a corporation's stock ledger, list of stockholders, and other books and records for a purpose reasonably related to such person's interest as a stockholder.

	Company Shareholder Rights	Westaim Delaware Stockholder Rights
	• the minutes of meetings and resolutions of shareholders; • all notices pertaining to the election of, or change of directors; and • a corporation's securities register.	
Dividends and Repurchase of Shares	Alberta law permits the directors of a corporation to declare and pay dividends provided that there are no reasonable grounds for believing that the Company is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of the Company's assets on an unconsolidated basis would thereby be less than the aggregate of its liabilities and stated capital of all classes. In addition, Alberta law permits a corporation to purchase or redeem its shares provided that it meets the solvency tests described above. A company may also pay a dividend by issuing shares. The ABCA provides that no special rights or restrictions attached to a series of shares confer on the series a priority in respect of dividends or return of capital over any other series of shares of the same class. Under the ABCA, subject to solvency tests similar to those applicable to the payment of dividends (as set out above), a company may redeem, on the terms and in the manner provided in its articles, any of its shares that has a right of redemption attached to it. The Common Shares and preferred shares are not subject to a right of redemption.	Delaware law permits a corporation, unless otherwise restricted by its certificate of incorporation, to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the Company is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having preference upon the distribution of assets. In addition, Delaware law generally provides that a corporation may redeem or repurchase its shares only if such redemption or repurchase would not impair the capital of the Company. The ability of a Delaware corporation to pay dividends on, or to make repurchases or redemptions of, its shares is dependent on the financial status of the Company standing alone and not on a consolidated basis. In determining the amount of surplus of a Delaware corporation, the assets of the Company, including stock of subsidiaries owned by the Company, must be valued at their fair market value as determined by the board of directors, regardless of their historical book value.
Dissolution	Under Alberta law, subject to the satisfaction of certain conditions, the shareholders by special resolution passed by not less than two-thirds of the votes cast by shareholders who vote on the resolution, may authorize the dissolution of the Company.	Under Delaware law, unless the board of directors approves the proposal to dissolve, the dissolution must be approved by stockholders holding 100% of the total voting power of the Company. Only if the dissolution is initially approved by the board of Directors may it be approved by a simple majority of the Company's stockholders. In the event of such a board-initiated dissolution, Delaware law allows a Delaware corporation to include in its certificate of

	Company Shareholder Rights	Westaim Delaware Stockholder Rights
		incorporation a super-majority voting requirement in connection with dissolutions.
Interested Director Transactions	Under Alberta law, material contracts or material transactions in which a director or officer of a corporation has an interest must be disclosed to the directors of the Company. Except for certain contracts or transactions, a director who has such an interest shall not vote on any resolution to approve it. The contract or transaction is not invalid, and the director or officer is not accountable to the Company or its shareholders for any profit realized from it if (a) the requisite disclosure of the director's or officer's interest is made, (b) the directors or, if the director or officer was acting honestly and in good faith, the shareholders by special resolution, approve the contract or transaction, and (c) the contract or transaction was reasonable and fair to the Company when it was approved.	Under Delaware law, certain contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable because of such interest, provided that certain conditions, such as obtaining the required approval and fulfilling the requirements of good faith and full disclosure, are met. Under Delaware law, (a) either the stockholders or the board of directors must approve any such contract or transaction after full disclosure of the material facts, and, in the case of approval by the board of directors, the contract or transaction must also be "fair" to the Company, or (b) the contract or transaction must have been just and reasonable or fair as to the Company at the time it was approved. Under Delaware law, if approval by the board of directors is sought, the contract or transaction must be approved by a majority of the disinterested directors (even though less than a majority of a quorum).
Anti-Takeover Effects	Under Alberta law, a corporation has powers which may be used to make itself less vulnerable to hostile takeover attempts. These powers include the ability to: • implement a staggered board of directors, which deters an immediate change in control of the board; • provide for the exclusive right of one or more class of shareholders to elect one or more directors; • provide for supermajority voting in some circumstances, including on an amalgamation or for amendments to articles; • provide for the creation of a shareholder rights plan to authorize the issue of new shares to existing shareholders at a below-market price in the event of a hostile take-over bid without any requirement to issue such shares to hostile bidders; and • issue "blank check" preferred shares, which may be used to make a corporation less attractive to a hostile bidder.	In addition to the above powers granted to corporations under Alberta law, which Delaware law also permits, Delaware law provides additional powers that may allow a Delaware corporation to make itself potentially less vulnerable to hostile takeover attempts. These powers include the ability to: • require that notice of nominations for directors be given to the Company prior to a meeting where directors will be elected, which may give management an opportunity to make a greater effort to solicit its own proxies; • only allow the board of directors to call a special meeting of stockholders, which may thwart a hostile bidder's ability to call a meeting to make disruptive changes; • eliminate stockholders' action by written consent, which would restrict a hostile bidder's actions to a meeting scenario; • remove a director from a staggered board only for cause, which gives some protection to directors on a staggered board from arbitrary removal; and provide that the power to determine the number of directors and to fill vacancies be vested solely in the board, so that the

	Company Shareholder Rights	Westaim Delaware Stockholder Rights
		incumbent board, not a hostile bidder, would control vacant board positions.
Forum Selection	The Company's current articles and by-laws do not provide for forum selection.	The proposed form of Certificate of Incorporation of Westaim Delaware, which would be effective upon the consummation of the Redomiciliation, provides that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Company; (b) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any current or former director, officer, other employee or stockholder of the Company to the Company or the Shareholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty; (c) any action or proceeding against the Company or any current or former director, officer or other employee of the Company or any Shareholder (i) arising pursuant to any provision of the DGCL, the Certificate of Incorporation or the by-laws of Westaim Delaware (as each may be amended, restated, modified, supplemented or waived from time to time) or (ii) as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; (d) any action or proceeding to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the by-laws of Westaim Delaware (including any right, obligation or remedy thereunder); (e) any action asserting a claim against the Company or any director, officer or other employee of the Company or any Shareholder, governed by the internal affairs doctrine; and (f) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL. In addition, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act, against the Company or any director or officer of the Company. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any securities of the Company following the

	Company Shareholder Rights	Westaim Delaware Stockholder Rights
		Redomiciliation will be deemed to have notice of, and consented to, the provisions of the proposed Certificate of Incorporation and by-laws of Westaim Delaware described in the preceding paragraph.

APPENDIX "F"
INTERIM ORDER

See attached.

CERTIFIED E. Wheaton
by the Court Clerk as a true copy of the document digitally filed on Nov 19, 2024

COURT FILE NUMBER:	2401-16038
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
MATTER	IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING THE WESTAIM CORPORATION
APPLICANT	THE WESTAIM CORPORATION
DOCUMENT	**INTERIM ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**STIKEMAN ELLIOTT LLP** Barristers and Solicitors Suite 4200, Bankers Hall West 888 3rd Street SW Calgary, Alberta, T2P 5C5 **Attention**: **Matti Lemmens** Telephone: (403) 266-9064 Facsimile: (403) 266-9034 Email: MLemmens@stikeman.com File No.: 131216-1044

Clerk's Stamp
JUDICIAL CENTRE OF CALGARY
FILED DIGITALLY
2401 16038
Nov 19, 2024
3:56 PM
CLERK OF THE COURT

Date on which Order was pronounced:	November 19, 2024
Name of Justice who made this Order:	The Honourable Justice Burns
Location of Hearing:	Edmonton

UPON the Originating Application (the "**Originating Application**") of The Westaim Corporation ("**Westaim**" or the "**Applicant**") for an Interim Order pursuant to section 193 of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the "**ABCA**");

AND UPON reading the Originating Application, the affidavit of Cameron MacDonald, President and Chief Executive Officer of Westaim, sworn November 15, 2024 (the "**Affidavit**"), the Brief of the Applicants, and the documents referred to therein;

AND UPON being advised that notice of the Originating Application has been given to the registrar appointed under section 263 of the ABCA (the "**Registrar**") as required under subsection 193(3.1) of the ABCA and that the Registrar does not consider it necessary to appear;

AND UPON hearing counsel for the Applicant;

FOR THE PURPOSES OF THIS ORDER:

(a) the capitalized terms not defined in this Order (the "**Order**") shall have the meanings attributed to them in the draft management information circular of the Applicant (the "**Information Circular**"), which is attached as Exhibit "A" to the Affidavit; and

(b) all references to "Arrangement" used herein mean the arrangement as set forth in the plan of arrangement attached as Appendix "G" to the Information Circular.

IT IS HEREBY ORDERED THAT:

General

1. The Applicant shall seek approval of the Arrangement as described in the Information Circular by the holders (the "**Shareholders**") of common shares of Westaim (the "**Shares**"), in the manner set forth below.

The Meeting

2. The Applicant shall call and conduct a special meeting (the "**Meeting**") of Shareholders to be held on or about December 19, 2024 in-person at Vantage Venues, 150 King Street West, 27th Floor, Toronto, ON, M5H 1J9 on December 19, 2024 at 9:00 a.m.

3. At the Meeting, the Shareholders will, among other things, consider and vote upon a resolution to approve the Arrangement substantially in the form attached as Appendix "A" to the Information Circular (the "**Arrangement Resolution**") and transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

4. In accordance with the by-laws of the Applicant and this Order, a quorum at the Meeting shall be two persons present and holding or representing by proxy at least 25% of the Shares entitled to vote at the Meeting.

5. If within 30 minutes from the time appointed for the Meeting, a quorum is not present, the Meeting shall stand adjourned to a date not less than two and not more than 30 days later, as may be

determined by the Chair of the Meeting (the "**Chair**"). No notice of the adjourned Meeting shall be required and, if at such adjourned Meeting a quorum is not present, the Shareholders present at the adjourned Meeting in person or represented by proxy shall constitute a quorum for all purposes.

6. Each Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting.

7. The record date for Shareholders entitled to receive notice of and vote at the Meeting is November 11, 2024 (the "**Record Date**"). Only Shareholders whose names have been entered on the applicable register of Shares at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting; provided that, to the extent that a Shareholder transfers the ownership of any Shares after the Record Date and the transferee of those Shares establishes ownership of such Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Shares at the Meeting. The Record Date for Shareholders entitled to receive notice of and to vote at the Meeting will not change in respect of or as a consequence of any adjournment or postponement of the Meeting.

8. The Chair of the Meeting shall be the Executive Chair of the board of directors of Westaim. If such person is not present at the Meeting, the Chair shall be the Chair of the special committee of the Westaim board of directors comprised of independent directors to consider the Arrangement.

Conduct of the Meeting

9. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the ABCA, the articles and by-laws of the Applicant in effect at the relevant time, the Information Circular, the rulings and directions of the Chair, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the ABCA or the articles or by-laws of the Applicant, the terms of this Order shall govern.

10. The only persons entitled to attend the Meeting shall be:

    (a) Shareholders as at the Record Date or their duly authorized proxy holders, and their respective advisors;

    (b) the scrutineer and its representatives for that purpose;

    (c) the Applicant's directors, officers, legal counsel, advisors and auditors;

    (d) the Registrar;

(e) representatives of Wembley Group Partners, LP and their legal counsel, advisors and representatives;

(f) representatives and legal counsel of persons subject to the Arrangement; and

(g) such other persons who may be permitted to attend by the Chair.

11. The number of votes required to pass the Arrangement Resolution shall be not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy at the Meeting, in the manner set forth in the Information Circular.

12. To be valid, a proxy must be deposited with Westaim's transfer agent and registrar, Computershare Investor Services Inc., in the manner and by the deadline described in the Information Circular.

13. Any proxy that is properly signed and dated but which does not include voting instructions shall be deemed to be voted in favour of the Arrangement Resolution.

14. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not constitute a breach of this Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting.

15. The Applicant is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders in respect of the adjournment or postponement, provided that such adjournment or postponement is made in compliance with the Plan of Arrangement and this Order. Notice of such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed, as the context allows. No adjournment or postponement of the Meeting shall have the effect of modifying the Record Date for persons entitled to receive notice of or vote at the Meeting.

Amendments to the Arrangement

16. The Applicant is authorized to make such amendments, revisions or supplements to the Arrangement as it may determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Plan of Arrangement. The Plan of Arrangement so amended, revised or supplemented, shall be deemed to be the Plan of Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

Amendments to Meeting Materials

17. The Applicant is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Information Circular, form of proxy ("**Proxy**"), notice of the Meeting, form of letter of transmittal ("**Letter of Transmittal**") and notice of Originating Application ("**Notice of Originating Application**") as it may determine. The Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant and without being required to deliver an amendment to the Information Circular to the Shareholders, provided that if as a result of comments from the applicable securities regulatory authorities an amendment is required to the Information Circular, such amendment to the Information Circular shall be filed under the Applicant's SEDAR+ profile at www.sedarplus.ca. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been required to be disclosed in the Information Circular, then:

(a) the Applicant shall advise the Shareholders of the material change or material fact by disseminating a news release (a "**News Release**") in accordance with applicable securities laws and the policies of the TSX Venture Exchange and filing such News Release on the Applicant's SEDAR+ profile;

(b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Information Circular to the Shareholders or otherwise give notice to the Shareholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid; and

(c) unless determined to be advisable by the Applicant in accordance with the Investment Agreement, the Applicant shall not be required to adjourn or otherwise postpone the Meeting as a result of the disclosure of any Additional Information, including any material change, as contemplated by this paragraph.

Dissent Rights

18. Registered Shareholders (each, a "**Registered Shareholder**") are, subject to the provisions of this Order and the Arrangement, accorded the right to dissent under section 191 of the ABCA with respect to the Arrangement Resolution, as modified by this Order and the Arrangement, and the right to be paid an amount equal to the fair value of their Shares by Westaim in respect of which

such right to dissent was validly exercised and has not been withdrawn or deemed to have been withdrawn (the "**Dissent Right**").

19. In order for a dissenting Registered Shareholder (a "**Dissenting Shareholder**") to exercise such Dissent Right under section 191 of the ABCA:

    (a) notwithstanding subsection 191(5) of the ABCA, the Dissenting Shareholder's written objection to the Arrangement Resolution must be received by the Applicant, care of its solicitors, Stikeman Elliott LLP, not later than 5:00 p.m. (Calgary time) on the business day that is two (2) business days immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time);

    (b) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution;

    (c) a Dissenting Shareholder shall not have voted their Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;

    (d) a Dissenting Shareholder may dissent only with respect to all, and not less than all, of the Shares held by such Dissenting Shareholder; and

    (e) the exercise of such right to dissent must otherwise comply with the requirements of section 191 of the ABCA, as modified by this Order and the Arrangement.

20. The fair value of their Shares to which a Dissenting Shareholder is entitled under the Dissent Right shall be determined as of the close of business on the day before the Arrangement Resolution is adopted. The Dissent Right shall be dealt with as contemplated by the Arrangement and this Order.

21. Dissenting Shareholders who validly exercise their Dissent Right and who:

    (a) are determined to be entitled to be paid the fair value of their Shares, shall be deemed to have transferred such Shares as of the completion of the transfer under section 2.3(a) of the Plan of Arrangement (the "**Dissent Effective Time**"), without any further act or formality and free and clear of all Liens, to Westaim and such Dissenting Shareholders shall cease to have any rights as Shareholders other than the right to be paid by Westaim the fair value of their Shares in accordance with Article 3 of the Plan of Arrangement; or

    (b) are, for any reason (including, for clarity, any withdrawal or deemed withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair

value for their Shares shall be deemed to have participated in the Arrangement on the same basis as a non-Dissenting Shareholder,

but in no event shall the Applicant or any other person be required to recognize such Dissenting Shareholders as holders of Shares after the Dissent Effective Time, and the names of such Dissenting Shareholders shall be removed from the register of Shares as of such time.

22. Subject to further order of this Court, the rights available to Shareholders under the ABCA and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient rights of dissent for such Shareholders with respect to the Arrangement Resolution.

23. Notice to the Shareholders of their Dissent Right with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA, this Order and the Arrangement, the fair value of their Shares shall be sufficiently given by including information with respect to these rights as set forth in the Information Circular which is to be sent to Shareholders in accordance with this Order.

Notice

24. The Information Circular, substantially in the form attached as Exhibit "A" to the Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of the Meeting, the Proxy, the Notice of Originating Application and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable, including the Letter of Transmittal (collectively, the "**Meeting Materials**"), shall be sent to those Shareholders who hold Shares, as of the Record Date, the directors of the Applicant, the auditors of the Applicant, and the Registrar by one or more of the following methods:

(a) in the case of registered Shareholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicant as of the Record Date not later than 21 days prior to the Meeting;

(b) in the case of non-registered Shareholders, by providing sufficient copies of the Meeting Materials to intermediaries (or their agents), in accordance with National Instrument 54-101 - *Communication With Beneficial Owners of Securities of a Reporting Issuer*;

(c) in the case of the directors and auditors of the Applicant, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 21 days prior to the date of the Meeting; and

(d) in the case of the Registrar, by facsimile, electronic mail or other electronic means, by courier or by delivery in person, addressed to the Registrar not later than 21 days prior to the date of the Meeting.

25. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Shareholders, the directors and auditors of the Applicant and the Registrar of every document contained in the Meeting Materials.

26. In the event of a postal strike, lockout or event that prevents, delays or otherwise interrupts mailing or delivery of the Meeting Materials in accordance with the terms hereof, the issuance of a News Release containing details of the date, time and place of the Meeting, steps that may be taken by Shareholders to deliver or transmit proxies by delivery, internet voting or telephone and that the Circular will be provided by electronic mail or by courier upon request made by a Shareholder, may be deemed good and sufficient service upon the Shareholders of the Meeting Materials, and may be deemed to satisfy the requirements of sections 134 and 150 of the ABCA, subject to the directions at the hearing of the Final Order (as defined below).

Final Application

27. Subject to further order of this Court, and provided that the Shareholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final Order of the Court approving the Arrangement (the "**Final Order**") on December 20, 2024 at 10:00 a.m. (Calgary time) or so soon thereafter as counsel may be heard, at a hearing in which the substantive and procedural fairness of the Arrangement is considered and at which the Shareholders have the right to appear, subject to paragraph 28 of this Order, which approval, if granted, will be relied upon by the Applicant as the basis for the exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to section 3(a)(10) thereof with respect to the issuance of the Westaim Delaware Shares to be received by the Shareholders, in exchange for their Shares, under the Arrangement. Subject to the Final Order, the issuance of the proof of filing of the Articles of Arrangement, the Applicant, all Shareholders and all other persons affected thereby will be bound by the Arrangement in accordance with its terms.

28. Any Shareholder or other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, by service on the Applicant's counsel so that it is received on or before 12:00 p.m. (Calgary time) on December 13, 2024, a notice of intention to appear (the "**Notice of Intention to Appear**") including the Interested Party's address for service (or alternatively, a facsimile number

for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this Notice of Intention to Appear on the Applicant shall be effected by service upon the solicitors for the Applicant, Stikeman Elliott LLP, by e-mail or registered mail as follows:

Stikeman Elliott LLP
Suite 4200, Bankers Hall West, 888 3rd Street SW
Calgary, AB T2P 5C5 Canada

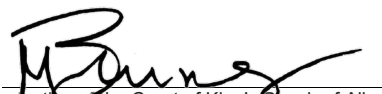
Attention: Matti Lemmens
Email: MLemmens@stikeman.com

29. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 28 herein, shall have notice of the adjourned date.

30. Only those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 28 of this Order shall be entitled to receive any further evidence or materials which are to be relied on by the Applicant at the application for the Final Order, such as an additional affidavit

Leave to Vary Interim Order

31. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.



Justice of the Court of King's Bench of Alberta

APPENDIX "G"
PLAN OF ARRANGEMENT

See attached.

Plan of Arrangement under Section 193 of the
***Business Corporations Act* (Alberta)**

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 Investment Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Arrangement Approval Resolution**" means the special resolution of the Company Shareholders that is to be considered at the Company Meeting with respect to the approval of this Plan of Arrangement, substantially in the form set out in Exhibit F to the Investment Agreement;

"**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions refer to the arrangement under section 193 of the ABCA on 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 (a) this Plan of Arrangement or (b) made at the direction of the Court in the Final Order with the prior written consent of the Consenting Parties;

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required by the ABCA to be sent to the Registrar after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form satisfactory to the Consenting Parties;

"**business day**" means any day except a Saturday, a Sunday or other day on which the SEC or banks in the City of New York or the City of Calgary, Alberta are authorized or required by Law to be closed;

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement;

"**Code**" means the United States Internal Revenue Code of 1986, as amended;

"**Consenting Parties**" means (a) if the Investment Agreement has not been terminated in accordance with its terms, the Company or Westaim Delaware, as applicable, and the Investor, each acting reasonably, or (b) if the Investment Agreement has been terminated in accordance with its terms, the Company or Westaim Delaware, as applicable;

"**Company**" means The Westaim Corporation, a corporation existing under the laws of the Province of Alberta;

"**Company Common Shares**" means the common shares in the capital of the Company;

"**Company LTIP**" means the Company's Amended and Restated Long-Term Incentive Plan;

"**Company Meeting**" means the special meeting of Company Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with applicable Law and the Interim Order to consider the Arrangement Approval Resolution;

"**Company RSU**" means a restricted share unit issued by the Company pursuant to the Company LTIP;

"**Company RSU Holder**" means a holder of one or more Company RSUs;

"**Company Share Value**" means the five-day volume-weighted average trading price of the Company Common Shares on the TSXV, determined as of the close of business on the second (2nd) business day immediately preceding the Effective Date;

"**Company Shareholders**" means the holders of Company Common Shares;

"**Court**" means the Court of King's Bench of Alberta;

"**DGCL**" means the General Corporation Law of Delaware, as amended from time to time;

"**Dissent Rights**" has the meaning given to it in Section 3.1;

"**Dissenting Shareholder**" means a registered Company Shareholder who has validly exercised his, her or its Dissent Rights in accordance with the ABCA and the terms of the Interim Order and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights prior to the Effective Time, but only in respect of the Company Common Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder in accordance with the ABCA and the terms of the Interim Order;

"**DRS Statement**" means a direct registration system statement;

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

"**Effective Time**" means 11:59 p.m. on the Effective Date, or such other time as the Consenting Parties agree to in writing before the Effective Date;

"**Final Order**" means the final order of the Court in a form acceptable to the Consenting Parties approving the Arrangement, as such order may be amended by the Court (with the consent of the Consenting Parties) 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 the Consenting Parties) on appeal;

"**Interim Order**" means the interim order of the Court in a form acceptable to the Consenting Parties providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified or varied by the Court with the consent of the Consenting Parties;

"**Investment Agreement**" means the investment agreement dated October 9, 2024, by and among (a) the Investor, (b) the Company, (c) solely for purposes of Sections 2.04(c), 4.03, 4.05, 6.01, 6.11 and 6.17 thereof, Arena Investors Group Holdings, LLC and (d) solely for purposes of Sections 2.04(d) and 4.03 thereof, Daniel Zwirn and Lawrence Cutler, as amended on November 15, 2024 and as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

"**Investor**" means Wembley Group Partners, LP;

"**Letter of Transmittal**" means the letter of transmittal accompanying the Company Circular, pursuant to which registered Company Shareholders who hold share certificate(s) are required to deliver their certificate(s) representing Common Shares in order to receive certificate(s) or DRS Statement(s) representing the Westaim Delaware Shares issuable to them, or the cash payable to them if they will hold less than one whole Common Share after completion of the Reverse Stock Split, pursuant to the Arrangement;

"**person**" means any natural person, corporation, limited liability company, partnership, limited partnership, joint venture, trust, business association, Governmental Entity or other entity;

"**Plan of Arrangement**" means this plan of arrangement, subject to any amendments or variations to such plan made in accordance with (a) the Investment Agreement, if applicable, and Section 5.1 hereof or (b) made at the direction of the Court in the Final Order with the prior written consent of the Consenting Parties;

"**Redomiciliation**" means, pursuant to the Arrangement, the discontinuance of the Company from the jurisdiction of the ABCA and the concurrent redomiciliation of the Company in the State of Delaware pursuant to the provisions of Section 388 of the DGCL;

"**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under section 263 of the ABCA;

"**Reverse Stock Split**" has the meaning given to it in Section 2.2(c);

"**Transfer Agent**" means the Company's transfer agent, being Computershare Trust Company of Canada, and where applicable to certain steps of the Arrangement Computershare Investor Services Inc., or any successor thereto;

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended, and the rules promulgated by the SEC thereunder;

"**Westaim Delaware**" means the Company upon and following the Redomiciliation; and

"**Westaim Delaware Shares**" means the shares of common stock of Westaim Delaware, to be issued in exchange for Company Common Shares pursuant to the Arrangement.

Section 1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

(a) **Headings, etc.** The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

(b) **Currency.** All references to dollars or to $ are references to Canadian dollars, unless specified otherwise.

(c) **Gender and Number.** Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.

(d) **Certain Phrases, etc.** The words (i) "including", "includes" and "include" mean "including (or includes or include) without limitation", (ii) "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", and (iii) unless stated otherwise, "Article", "Section", and "Exhibit" followed by a number or letter mean and refer to the specified Article or Section of or Exhibit to this Plan of Arrangement.

(e) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions 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.

(f) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a business day, or at 4:30 p.m. 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.

(g) **Time References.** References to time herein are to local time, Calgary, Alberta.

ARTICLE 2
THE ARRANGEMENT

Section 2.1 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement with the Registrar and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Company, all holders and beneficial owners of Company Common Shares (including Dissenting Shareholders) or any other securities of the Company, the registrar and transfer agent of the Company, and all other persons, at and after, the Effective Time without any further act or formality required on the part of any person.

Section 2.2 Arrangement

Commencing at the Effective Time, each of the following events and transactions shall occur and shall be deemed to occur sequentially in the order set out below, without any further authorization, act or formality on the part of any person unless stated otherwise:

(a) the Company Common Shares held by Dissenting Shareholders shall be deemed to have been transferred to the Company (free and clear of any and all Liens) and shall be immediately cancelled and cease to be outstanding, and such Dissenting Shareholders shall cease to have any rights as Company Shareholders other than the right to be paid by the Company the fair value of their Company Common Shares in accordance with Article 3;

(b) notwithstanding the terms of the Company LTIP and any notice, instrument or agreement evidencing the grant of such Company RSU:

(i) each Company RSU outstanding immediately prior to the Effective Time that has not yet vested in accordance with its terms shall be accelerated so that such Company RSU is fully vested;

(ii) each Company RSU outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the Company RSU Holder, be deemed to be surrendered and transferred by such Company RSU Holder, free and clear of any and all Liens, to the Company in exchange for a cash payment for such Company RSU equal to the Company Share Value, less applicable tax withholdings, and (A) each such Company RSU shall immediately be cancelled and such Company RSU Holder shall cease to be the holder thereof and to have any rights as the holder of such Company RSU, other than the right to receive the consideration (if any) to which such Company RSU Holder is entitled pursuant to this Section 2.2(b), (B) such Company RSU Holder's name shall be removed from the register of Company RSUs maintained by or on behalf of the Company as the holder of such Company RSU, and (C) all notices, instruments and agreements evidencing the grant of such Company RSU shall be terminated and shall be of no further force and effect;

(c) the number of issued and outstanding Company Common Shares will be changed by way of a reverse split (the "**Reverse Stock Split**") of the issued and outstanding Company Common Shares on the basis of one (1) post-Reverse Stock Split Company Common Share for every six (6) outstanding pre-Reverse Stock Split Company Common Shares, provided that:

(i) in the event that the change in the number of the issued and outstanding Company Common Shares would result in any Company Shareholder of record holding fewer than one (1) whole Company Common Share after giving effect to the Reverse Stock Split, such Company Shareholder of record shall receive a cash payment of $4.75 for each pre-Reverse Stock Split Company Common Share held by such Company Shareholder in lieu of any post-Reverse Stock Split Company Common Shares, up to a maximum cash payment of $23.75 per Company Shareholder; and

(ii) in the event that any Company Shareholder holds greater than one (1) whole Company Common Share after giving effect to the Reverse Stock Split, any fractional Company Common Shares held by such Company Shareholder after giving effect to the Reverse Stock Split will, (A) if equal to or greater than one-half of one whole post-Reverse Stock Split Company Common Share, be rounded up to the nearest whole Company Common Share; and (B) if less than one-half of one whole post-Reverse Stock Split Company Common Share, be rounded down to the nearest whole Company Common Share; and

(d) the Redomiciliation shall be effective and Company shall continue under the DGCL in accordance with the following:

(i) the name of Westaim Delaware shall be "The Westaim Corporation";

(ii) there shall be filed with the Secretary of State of the State of Delaware a certificate of domestication and a certificate of incorporation of Westaim Delaware in the form set forth in Exhibit A to this Plan of Arrangement;

(iii) the by-laws of Westaim Delaware shall be in the form set forth in Exhibit B to this Plan of Arrangement;

(iv) the authorized capital of Westaim Delaware shall consist of 160,000,000 Westaim Delaware Shares and 100,000,000 shares of preferred stock, par value $0.001 per share, as set forth in the certificate of incorporation of Westaim Delaware referred to in clause (ii) above;

(v) each issued and outstanding Company Common Share (for greater certainty, other than those Company Common Shares (if any) previously transferred to the Company by Dissenting Shareholders pursuant to Section 2.2(a) and immediately cancelled by the Company) shall be exchanged for one (1) fully paid and non-assessable Westaim Delaware Share;

(vi) the property of the Company shall continue to be the property of Westaim Delaware;

(vii) Westaim Delaware shall continue to be liable for the obligations of the Company;

(viii) any existing cause of action, claim or liability to prosecution in respect of the Company shall be unaffected;

(ix) any civil, criminal or administrative action or proceeding pending by or against the Company may be continued to be prosecuted by or against Westaim Delaware; and

(x) any conviction against, or ruling, order or judgement in favour of or against the Company may be enforced by or against Westaim Delaware.

Section 2.3 Updates to Securities Registers

The Company and Westaim Delaware shall make the appropriate entries in their securities registers to reflect the matters referred to under Section 2.2.

Section 2.4 Withholding Rights

The Company will be entitled to deduct and withhold from any consideration or other amount otherwise payable to any Company RSU Holder or any other person under this Plan of Arrangement (including any payment to Dissenting Shareholders) such amounts as the Company may reasonably determine are required to be deducted or withheld with respect to such payment under the ITA, the Code, and the rules and regulations promulgated thereunder, any applicable provincial tax legislation and any other provision of Laws in respect of taxes, as amended. For the purposes hereof, all such deducted or withheld amounts shall be treated as having been paid to the person in respect of which such deduction or withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are timely remitted to the appropriate Governmental Entity by or on behalf of the Company.

Section 2.5 Tax Treatment of Redomiciliation

The Company intends that, for United States federal income tax purposes, the Redomiciliation will qualify as a “reorganization” within the meaning of Section 368(a) of the Code and the Treasury Regulations thereunder, to which each of Westaim Delaware and the Company are to be parties under

Section 368(b) of the Code and the Treasury Regulations thereunder. This Plan of Arrangement is intended to be, and is adopted as, a plan of reorganization for purposes of Sections 354, 361 and the 368 of the Code and within the meaning of Treasury Regulations Section 1.368-2(g). The Company does not know of any fact or circumstance, nor has taken or will take any action, if such fact, circumstance or action would be reasonably expected to cause the Redomiciliation to fail to qualify as a reorganization within the meaning of Section 368(a) of the Code and the Treasury Regulations thereunder. The Redomiciliation shall be reported by the Company for all United States (including applicable state and local) Tax purposes in accordance with the foregoing, unless otherwise required by a Governmental Entity as a result of a "determination" within the meaning of Section 1313(a) of the Code.

ARTICLE 3
DISSENTING SHAREHOLDERS

Section 3.1 Rights of Dissent

(a) Registered holders of Company Common Shares may exercise, pursuant to and in the manner set forth in Section 191 of the ABCA, the right of dissent in connection with the Arrangement, as same may be modified by the Interim Order and this Section 3.1 ("**Dissent Rights**"); provided that notwithstanding subsection 191(5) of the ABCA, the written notice setting forth such registered holder's objection to the Arrangement Approval Resolution referred to in subsection 191(5) of the ABCA must be received by the Company not later than 5:00 p.m. Calgary time on the business day which is two (2) business days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Company Common Shares held by them and in respect of which Dissent Rights have been validly exercised to the Company free and clear of all Liens, as provided in Section 2.2(a) and if they:

(i) are ultimately entitled to be paid fair value for such Company Common Shares: (A) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.2(a)); (B) will be entitled to be paid the fair value of such Company Common Shares, which fair value, notwithstanding anything to the contrary contained in subsection 191(3) of the ABCA, shall be determined as of the close of business on the day before the Arrangement Approval Resolution was adopted; and (C) 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 Company Common Shares; or

(ii) ultimately are not, for any reason, entitled to be paid fair value for such Company Common Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Company Shareholder.

(b) In no circumstances shall the Company, Westaim Delaware, the Investor or any other person be required to recognize a person exercising Dissent Rights unless (i) such person is the registered holder of those Company Common Shares in respect of which such rights are sought to be exercised, and (ii) such person has strictly complied with the procedures for exercising Dissent Rights described in Section 3.1 and the ABCA and does not withdraw such dissent prior to the Effective Time.

(c) For greater certainty, in no case shall the Company, Westaim Delaware, the Investor or any other person be required to recognize a Dissenting Shareholder as a holder of Company Common Shares after the Effective Time and the names of such Dissenting Shareholders shall be removed from the registers of holders of Company Common Shares and such Company Common Shares shall be immediately cancelled and cease to be outstanding. In addition to any other restrictions under the ABCA, Company Shareholders who vote or have instructed a proxyholder to vote such Company Common Shares in favour of the Arrangement Approval Resolution shall not be entitled to exercise Dissent Rights (in respect of such Company Common Shares).

ARTICLE 4
OUTSTANDING CERTIFICATES

Section 4.1 Outstanding Certificates

(a) From and after the Effective Time, certificates formerly representing Company Common Shares that were exchanged pursuant to Section 2.2 shall represent only the right to receive either (i) the cash payment to which the holders thereof are entitled pursuant to Section 2.2(c)(i), (ii) the Westaim Delaware Shares to which the holders thereof are entitled under Section 2.2(d), or (iii) as to those certificates formerly representing Company Common Shares held by Dissenting Shareholders (other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 3.1), to receive the fair value of the Company Common Shares formerly represented by such certificates.

(b) Westaim Delaware shall, as soon as practicable and in any event within five business days following the later of the Effective Date and the date of deposit by a former holder of Company Common Shares of a duly executed and completed Letter of Transmittal and the certificates formerly representing such Company Common Shares, either:

(i) forward or cause to be forwarded by first class mail (postage prepaid) to such former holder at the address specified in the Letter of Transmittal; or

(ii) if requested by such former holder in the Letter of Transmittal, make available or cause to be made available at the Transfer Agent for pickup by such former holder;

either (i) the cash payment to which the holder thereof is entitled pursuant to Section 2.2(c)(i) or (ii) certificate(s) or DRS Statement(s) representing the number of Westaim Delaware Shares to be received by such former holder of Company Common Shares under Section 2.2(d).

(c) In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares that were exchanged pursuant to Section 2.2 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, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate and such Company Shareholder's Letter of Transmittal either the cash payment or the certificate(s) or DRS Statement(s) representing the Westaim Delaware Shares that such Company Shareholder has the right to receive in accordance with Section 4.1(b). When authorizing such issuance in exchange for any lost, stolen or destroyed certificate, the person to whom such payment, certificate(s) or DRS Statement(s) are to be delivered shall as a condition precedent to the delivery of such payment,

certificate(s) or DRS Statement(s), give a bond satisfactory to the Consenting Parties and the Transfer Agent (each acting reasonably) or otherwise indemnify Westaim Delaware and the Transfer Agent in a manner satisfactory to the Consenting Parties and the Transfer Agent (each acting reasonably) against any claim that may be made against Westaim Delaware or the Transfer Agent with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.2 Limitation and Proscription

(a) To the extent a holder of certificates formerly representing Company Common Shares that were exchanged pursuant to Section 2.2 shall have not complied with the provisions of Section 4.1 on or before the date that is six years after the Effective Date (the "**Final Proscription Date**"), then:

(i) any cash payment to which the holder of such certificate was entitled pursuant to Section 2.2(c)(i) shall cease to represent a right or claim of any kind or nature and the right of the holder to receive any applicable cash payment pursuant to Section 2.2(c)(i) shall terminate and be deemed to be surrendered and forfeited to the Company for no consideration;

(ii) the certificates formerly representing Company Common Shares shall cease to represent a right or claim of any kind or nature as of such Final Proscription Date, and

(iii) any payment made by way of cheque by the Transfer Agent pursuant to Section 2.2(c)(i) that has not been deposited or has been returned to the Transfer Agent or that otherwise remains unclaimed, in each case, on or before the Final Proscription Date shall cease to represent a right or claim of any kind or nature.

ARTICLE 5
AMENDMENTS

Section 5.1 Amendments to Plan of Arrangement

(a) Subject to the terms of the Investment Agreement, if applicable, the Consenting Parties 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 (i) set out in writing, (ii) approved by the Consenting Parties, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to Company Shareholders if and as required by the Court. Notwithstanding the preceding sentence and for greater certainty, in the event that the Investment Agreement is terminated in accordance with its terms prior to the Effective Date, the Company may unilaterally amend, modify and/or supplement this Plan of Arrangement (including, for greater certainty, to remove references to the Investment Agreement and the Investor from 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 (x) set out in writing, (y) filed with the Court and, if made following the Company Meeting, approved by the Court and (z) communicated to Company Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by a Consenting Party at any time prior to the Company Meeting (provided that the Consenting Parties shall have consented thereto in accordance with Section 5.1(a)) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by the Consenting Parties, and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Westaim Delaware; provided that (i) if the Investment Agreement has not been terminated in accordance with its terms, it is consented to in writing by the Investor, acting reasonably; and (ii) it concerns a matter which, in the reasonable opinion of Westaim Delaware, 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 holder of Company Common Shares.

ARTICLE 6
FURTHER ASSURANCES

Section 6.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Consenting Parties 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 herein. The Company may, in accordance with the terms of the Investment Agreement (if applicable), determine not to implement this Plan of Arrangement, notwithstanding the passing of the Arrangement Approval Resolution by the Company Shareholders and the receipt of the Final Order.

ARTICLE 7
U.S. SECURITIES LAW MATTERS

Section 7.1 U.S. Securities Law Matters

Notwithstanding any provision herein to the contrary, the Consenting Parties agree that this Plan of Arrangement will be carried out with the intention that all Westaim Delaware Shares to be issued to Company Shareholders in exchange for their Company Common Shares pursuant to Section 2.2(d)(v) of this Plan of Arrangement will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions from applicable U.S. state securities Laws and pursuant to the terms, conditions and procedures set forth herein and in the Investment Agreement (if applicable).

EXHIBIT A

DELAWARE CERTIFICATE OF DOMESTICATION AND CERTIFICATE OF INCORPORATION

CERTIFICATE OF INCORPORATION

OF

THE WESTAIM CORPORATION

ARTICLE I

Section 1.1 Name. The name of the Corporation is The Westaim Corporation (the "Corporation").

ARTICLE II

Section 2.1 Address. The registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, Wilmington, Delaware 19808; and the name of the Corporation's registered agent at such address is Corporation Service Company.

ARTICLE III

Section 3.1 Purpose. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV

Section 4.1 Capitalization. The total number of shares of all classes of stock that the Corporation is authorized to issue is [●] shares, consisting of (A) [●] shares of Preferred Stock, par value $[●] per share ("Preferred Stock") and (B) [●] shares of Common Stock, par value $[●] per share ("Common Stock"). The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares of such class or series, as applicable, then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or Preferred Stock voting separately as a class shall be required therefor, unless a vote of any such holder is required pursuant to this Certificate of Incorporation (this "Certificate of Incorporation") or any certificate of designations relating to any series of Preferred Stock.

Section 4.2 Preferred Stock.

(a) General. The Board of Directors of the Corporation (the "Board") is hereby expressly authorized, subject to any limitations prescribed by the DGCL, by resolution or resolutions, at any time and from time to time, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the powers, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof,

of the shares of such series and to cause to be filed with the Secretary of State of the State of Delaware a certificate of designations with respect thereto. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

(b) Voting Rights. Except as otherwise required by applicable law (including applicable rules and regulations promulgated under any applicable securities exchange, collectively "applicable law"), holders of a series of Preferred Stock, as such, shall be entitled only to such voting rights, if any, as shall expressly be granted thereto by this Certificate of Incorporation (including any certificate of designations relating to such series).

Section 4.3 Common Stock.

(a) Voting Rights.

(i) Except as otherwise provided in this Certificate of Incorporation or as required by applicable law, each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; *provided*, *however*, that to the fullest extent permitted by applicable law, holders of Common Stock, as such, shall have no voting power with respect to, and shall not be entitled to vote on, any amendment to this Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

(ii) Except as otherwise provided in this Certificate of Incorporation or required by applicable law, the holders of Common Stock having the right to vote in respect of such Common Stock shall vote together as a single class (or, if the holders of one or more series of Preferred Stock are entitled to vote together with the holders of Common Stock having the right to vote in respect of such Common Stock, as a single class with the holders of such other series of Preferred Stock) on all matters submitted to a vote of the stockholders having voting rights generally.

(b) Dividends and Distributions. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the payment of dividends and other distributions in cash, stock of any corporation or property of the Corporation, the holders of Common Stock shall be entitled to receive ratably, in proportion to the number of shares held by each such stockholder, such dividends and other distributions as may from time to time be declared by the Board in its discretion out of the assets of the Corporation that are by law available therefor at such times and in such amounts as the Board in its discretion shall determine.

(c) Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and of the preferential and other amounts, if any, to which the holders of Preferred Stock or any class or series of stock having a preference over the Common Stock as to distributions upon dissolution or liquidation or winding up shall be entitled, the holders of all outstanding shares of Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution ratably in proportion to the number of shares held by each such stockholder.

ARTICLE V

Section 5.1 By-Laws.

(a) In furtherance and not in limitation of the powers conferred by the DGCL, the Board is expressly authorized to make, amend, alter, change, add to or repeal the by-laws of the Corporation (as the same may be amended from time to time, the "By-Laws") without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware, any applicable law or this Certificate of Incorporation.

(b) In addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designations relating to any series of Preferred Stock), by the By-Laws or pursuant to applicable law, the affirmative vote of the holders of at least a majority of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of the By-Laws of the Corporation, or to adopt any provision inconsistent therewith; *provided that*, that notwithstanding anything to the contrary contained in this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote of the stockholders, the affirmative vote of the holders of at least 66 2/3% of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of Article I, Article II or Article IV of the By-Laws of the Corporation, or to adopt any provision inconsistent therewith.

ARTICLE VI

Section 6.1 Board of Directors.

(a) Powers. Except as otherwise provided in this Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The total number of directors constituting the whole Board shall be seven (7), which may be modified from time to time exclusively by resolution adopted by the Board. The initial directors constituting the Board are Ian Delaney, John Gildner, Lisa Mazzocco, Cameron MacDonald, Kevin Parker, Michael Siegel and Bruce Walter.

(b) Vacancy. Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding, any newly-created directorship on the Board that

results from an increase in the number of directors and any vacancy occurring in the Board (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled by the affirmative vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by the stockholders). Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the Board and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

(c) Resignation. Any director may resign at any time upon notice to the Corporation given in writing or by any electronic transmission permitted by the By-Laws. Any or all of the directors (other than the directors elected by the holders of any series of Preferred Stock of the Corporation, voting separately as a series or together with one or more other such series, as the case may be) may be removed with or without cause and only upon the affirmative vote of the holders of at least 66 2/3% of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. In case the Board or any one or more directors should be so removed, new directors may be elected pursuant to Section 6.1(b).

(d) Preferred Directors. Whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of this Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) applicable thereto. Notwithstanding Section 6.1(a), the number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to Section 6.1(a) hereof, and the total number of directors constituting the whole Board shall be automatically adjusted accordingly.

(e) Written Ballot. Directors of the Corporation need not be elected by written ballot unless the By-Laws shall so provide.

ARTICLE VII

Section 7.1 Meetings of Stockholders. Any action required or permitted to be taken by the holders of stock of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders unless such action is recommended or approved by all directors of the Corporation then in office; *provided*, *however*, that any action required or permitted to be taken, to the extent expressly permitted by the certificate of designations relating to one or more series of Preferred Stock, by the holders of such series of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of the relevant class or series having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or to

an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation may be called only by or at the direction of the Board, the Chairman of the Board or the Chief Executive Officer of the Corporation or as otherwise provided in the By-Laws.

ARTICLE VIII

Section 8.1 Limited Liability of Directors and Officers. To the fullest extent permitted by law, no director or officer of the Corporation will have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director or officer (as applicable), except to the extent such an exemption from liability or limitation thereof is not permitted under the DGCL. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. Neither the amendment nor the repeal of this ARTICLE VIII shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director or officer of the Corporation existing prior to such amendment or repeal.

Section 8.2 Director and Officer Indemnification and Advancement of Expenses. The Corporation, to the fullest extent permitted by law, shall indemnify and advance expenses to any Person made or threatened to be made a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the Corporation or any predecessor of the Corporation, or, while serving as a director or officer of the Corporation, serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

Section 8.3 Employee and Agent Indemnification and Advancement of Expenses. The Corporation, to the fullest extent permitted by law, may indemnify and advance expenses to any Person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she is or was an employee or agent of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as an employee or agent at the request of the Corporation or any predecessor to the Corporation.

ARTICLE IX

Section 9.1 DGCL Section 203 and Business Combinations.

(a) Section 203. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

(b) Interested Stockholder. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Corporation is a reporting issuer or the equivalent under the securities laws of any Canadian jurisdiction or the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act of 1934, as amended (the "Exchange Act"), with any interested stockholder (as

defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:

(i) prior to such time, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

(ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (A) persons who are directors and also officers and (B) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer or take-over bid; or

(iii) at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock of the Corporation which is not owned by the interested stockholder.

(c) Definitions. For purposes of this ARTICLE IX, references to:

(i) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(ii) "associate" when used to indicate a relationship with any person, means: (A) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (B) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (C) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(iii) "business combination" when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(1) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (A) with the interested stockholder, or (B) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section 9.1(b) of this ARTICLE IX is not applicable to the surviving entity;

(2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of

a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(3) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (A) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (B) pursuant to a merger under Section 251(g) of the DGCL; (C) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (D) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (E) any issuance or transfer of stock by the Corporation; *provided*, *however*, that in no case under items (C) through (E) of this subsection (3) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(4) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(5) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (1) through (4) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(iv) "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of a corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of

control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing Section 9.1(b) of ARTICLE IX, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(v) "interested stockholder" means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (A) is the owner of 15% or more of the outstanding voting stock of the Corporation or (B) is an Affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder; and the Affiliates and associates of such person; *provided*, *however*, that "interested stockholder" shall not include (a) any Stockholder Party, any Stockholder Party Transferee or any of their respective Affiliates or, if the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, any "group," or any member of any such group, to which such persons are a party under Rule 13d-5 of the Exchange Act if a majority of the aggregate shares of voting stock of the Corporation owned by such group immediately prior to the business combination or the transaction which resulted in the stockholder becoming an interested stockholder were owned (without giving effect to beneficial ownership attributed to such person pursuant to Section 13(d)(3) of the Exchange Act or Rule 13d-5 of the Exchange Act) by one or more Stockholder Parties or Stockholder Party Transferees, or (b) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation; *provided*, *further*, that in the case of clause (b) such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "owner" below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(vi) "owner," including the terms "own" and "owned," when used with respect to any stock, means a person that individually or with or through any of its Affiliates or associates:

(1) beneficially owns such stock, directly or indirectly;

(2) has (A) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; *provided*, *however*, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer or take-over bid made by such person or any of such person's Affiliates or associates until such tendered stock is accepted for purchase or exchange; or (B) the right to vote such stock pursuant to any agreement, arrangement or understanding; *provided*, *however*, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the

agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

(3) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (B) of subsection (2) above), or disposing of such stock with any other person that beneficially owns, or whose Affiliates or associates beneficially own, directly or indirectly, such stock.

(vii) "person" means any individual, corporation, partnership, unincorporated association or other entity.

(viii) "stock" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(ix) "Stockholder Parties" means, subject to consummation of the private placement contemplated by the Investment Agreement (defined below), Wembley Group Partners, LP. The term "Stockholder Party" shall have a correlative meaning to "Stockholder Parties."

(x) "Stockholder Party Transferee" means any Permitted Transferees (as defined in that certain form of investor rights agreement (the "Investor Rights Agreement") attached as Exhibit E to that certain Investment Agreement dated October 9, 2024 by and among the Corporation, Wembley Group Holdings, LP, a Delaware limited partnership, and the other parties thereto (the "Investment Agreement")) of a Stockholder Party.

(xi) "voting stock" means stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of voting stock shall refer to such percentages of the votes of such voting stock.

ARTICLE X

Section 10.1 Competition and Corporate Opportunities.

(a) General. In recognition and anticipation that members of the Board who are not employees of the Corporation ("Non-Employee Directors") and their respective Affiliates (as defined below) and Affiliated Entities (as defined below) may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this ARTICLE X are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve any of the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in

connection therewith, which shall apply unless the Corporation and a Non-Employee Director or any of their Affiliated Entities otherwise agree in writing.

(b) Business Opportunity. No Non-Employee Director or his or her Affiliates or Affiliated Entities (the Persons (as defined below) above being referred to, collectively, as "Identified Persons" and, individually, as an "Identified Person") shall, to the fullest extent permitted by applicable law, have any duty to refrain from directly or indirectly (i) engaging in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates, has historically engaged, now engages or proposes to engage at any time or (ii) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by applicable law, no Identified Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by applicable law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in Section 10.1(c) of this ARTICLE X. Subject to Section 10.1(c) of this ARTICLE X, in the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by applicable law, have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, or offers or directs such corporate opportunity to another Person.

(c) Corporate Business Opportunity. The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director if such opportunity is expressly offered or presented to, or acquired or developed by, such person solely in his or her capacity as a director or officer of the Corporation, and the provisions of Section 10.1(b) of this ARTICLE X shall not apply to any such corporate opportunity.

(d) Exceptions to Business Opportunity. In addition to and notwithstanding the foregoing provisions of this ARTICLE X, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that (i) the Corporation is neither financially or legally able, nor contractually permitted to undertake, (ii) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation, (iii) is one in which the Corporation has no interest or reasonable expectancy, or (iv) is one presented to any Person for the benefit of a member of the Board or such member's Affiliate over which such member of the Board has no direct or indirect influence or control, including, but not limited to, a blind trust.

(e) Definitions. For purposes of this ARTICLE X, references to:

(i) "Affiliate" means (A) in respect of a member of the Board, any Person that, directly or indirectly, is controlled by such member of the Board (other than the Corporation and any entity that is controlled by the Corporation) and (B) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation;

(ii) "Affiliated Entity" means (A) any Person of which a Non-Employee Director serves as an officer, director, employee, agent or other representative (other than the Corporation and any entity that is controlled by the Corporation), (B) any direct or indirect partner, stockholder, member, manager or other representative of such Person or (C) any person controlling, controlled by or under common control with any of the foregoing, including any investment fund or vehicle under common management; and

(iii) "Person" means any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

(f) Notice and Consent. To the fullest extent permitted by applicable law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this ARTICLE X.

(g) Amendment. Any alteration, amendment, addition to or repeal of this ARTICLE X shall require the affirmative vote of at least 66 2/3% of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. Neither the alteration, amendment, addition to or repeal of this ARTICLE X, nor the adoption of any provision of this Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) inconsistent with this ARTICLE X, shall eliminate or reduce the effect of this ARTICLE X in respect of any business opportunity first identified or any other matter occurring, or any cause of action, suit or claim that, but for this ARTICLE X, would accrue or arise, prior to such alteration, amendment, addition, repeal or adoption. This ARTICLE X shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director or officer of the Corporation under this Certificate of Incorporation, the By-Laws, the Investor Rights Agreement, any indemnification agreement between such Person and the Corporation or any of its subsidiaries or applicable law.

ARTICLE XI

Section 11.1 Severability. If any provision of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, the validity, legality and enforceability of such provision in any other circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby.

ARTICLE XII

Section 12.1 Forum.

(a) Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Corporation; (ii) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any current or former director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty; (iii) any action or proceeding against the Corporation or any current or former director, officer or other employee of the Corporation or any stockholder (A) arising pursuant to any provision of the DGCL, this Certificate of Incorporation or the By-Laws (as each may be amended, restated, modified, supplemented or waived from time to time) or (B) as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the By-Laws (including any right, obligation or remedy thereunder); (v) any action asserting a claim against the Corporation or any director, officer or other employee of the Corporation or any stockholder, governed by the internal affairs doctrine; and (vi) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL.

(b) Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, against the Corporation or any director or officer of the Corporation.

(c) Any person or entity purchasing or otherwise acquiring or holding any interest in any security of the Corporation shall be deemed to have notice of and to have consented to the provisions of this ARTICLE XII.

ARTICLE XIII

Section 13.1 Amendments. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, in addition to any vote required by applicable law, the following provisions in this Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 66 2/3% of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class: ARTICLE V; ARTICLE VI; ARTICLE VII; ARTICLE VIII; ARTICLE IX; ARTICLE XII; and this ARTICLE XIII. Further, any alteration, amendment, addition to or repeal of ARTICLE X shall, in addition to any vote required by applicable law, require the affirmative vote of at least 66 2/3% of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. Except as expressly provided in the foregoing sentences and the remainder of this Certificate of Incorporation (including any certificate of

designations relating to any series of Preferred Stock) and any vote required by applicable law, this Certificate of Incorporation may be amended by the affirmative vote of the holders of at least a majority of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

IN WITNESS WHEREOF, the Corporation has caused this amended and restated certificate of incorporation to be signed by a duly authorized officer of the Corporation as of [●].

THE WESTAIM CORPORATION

By: _____
Name:
Title:

EXHIBIT B

DELAWARE BY-LAWS

BY-LAWS

OF

THE WESTAIM CORPORATION

(a Delaware corporation)

(Effective [●])

ARTICLE I

STOCKHOLDERS

Section 1.1 Annual Meeting. The annual meeting of the stockholders of The Westaim Corporation (the "Corporation") for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting shall be held on such date, and at such time and place, if any, within or without the State of Delaware, or by means of remote communications pursuant to Section 1.12(c)(ii), as may be designated from time to time by the Board of Directors of the Corporation (the "Board"). The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled.

Section 1.2 Special Meetings. Except as otherwise required by the General Corporation Law of the State of Delaware (the "DGCL") or the certificate of incorporation of the Corporation (the "Certificate of Incorporation"), and subject to the rights of the holders of any class or series of Preferred Stock (as defined in the Certificate of Incorporation), special meetings of the stockholders of the Corporation may be called only by or at the direction of the Board, the Chairman of the Board or the Chief Executive Officer of the Corporation. Special meetings may be held either at a place, within or without the State of Delaware, or by means of remote communications pursuant to Section 1.12(c)(ii) as the Board may determine. The Board may postpone, reschedule or cancel any special meeting of the stockholders previously scheduled.

Section 1.3 Notice of Meetings. Except as otherwise provided by the DGCL, the Certificate of Incorporation, these By-Laws or applicable law (including applicable rules and regulations promulgated under any applicable securities exchange, collectively "applicable law"), notice of the date, time, place (if any), the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes of the meeting of stockholders shall be given not more than sixty (60), nor less than ten (10), days previous thereto (unless a different time is specified by applicable law), to each stockholder entitled to vote at the meeting as of the record date for determining stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States or Canadian mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notices of meetings otherwise may be

given effectively to stockholders, any such notice may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

Section 1.4 Quorum. The holders of not less than 25% of the voting power of the stock issued and outstanding and entitled to vote thereat, which shall consist of at least two persons, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided herein, by applicable law or by the Certificate of Incorporation; *provided*, *however*, that if at any meeting of stockholders there shall be less than a quorum present, the chairman of the meeting or, by a majority in voting power thereof, the stockholders present (either in person or by proxy) may, to the extent permitted by applicable law, adjourn the meeting from time to time without further notice other than announcement at the meeting of the date, time and place, if any, and the means of remote communication, if any, by which stockholders may be deemed present in person and vote at such adjourned meeting, until a quorum shall be present or represented. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, the holders of not less than 25% of the voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. At any adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the original meeting. Notice need not be given of any adjourned meeting if the time, date and place, if any, and the means of remote communication, if any, by which stockholders may be deemed present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; *provided*, *however*, that if the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting.

Section 1.5 Conduct of Business. The Chairman of the Board, or in the absence of the Chairman of the Board or at the Chairman of the Board's direction, the Chief Executive Officer, or in the Chief Executive Officer's absence or at the Chief Executive Officer's direction, any officer of the Corporation shall call all meetings of the stockholders to order and shall act as chairman of any such meetings. The Secretary of the Corporation or, in such officer's absence, an Assistant Secretary, shall act as secretary of the meeting. If neither the Secretary nor an Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Unless otherwise determined by the Board prior to the meeting, the chairman of the meeting shall determine the order of business and shall have the authority in his or her discretion to regulate the conduct of any such meeting, including, without limitation, convening the meeting and adjourning the meeting (whether or not a quorum is present), announcing the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote, imposing restrictions on the persons (other than stockholders of record of the Corporation or their duly appointed proxies) who may attend any such meeting, establishing procedures for the transaction of business at the meeting (including the dismissal of business not properly presented), maintaining order at the meeting and safety of

those present, restricting entry to the meeting after the time fixed for commencement thereof and limiting the circumstances in which any person may make a statement or ask questions at any meeting of stockholders. Unless and to the extent determined by the Board or the chairman over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.6 Proxies. At all meetings of stockholders, any stockholder entitled to vote thereat shall be entitled to vote in person or by proxy, subject to applicable law. Without limiting the manner in which a stockholder may authorize another person or persons to act for the stockholder as proxy pursuant to the DGCL or other applicable laws, the following shall constitute a valid means by which a stockholder may grant such authority: (1) a stockholder may execute a writing authorizing another person or persons to act for the stockholder as proxy, and execution of the writing may be accomplished by the stockholder or the stockholder's authorized officer, director, employee or agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature; or (2) a stockholder may authorize another person or persons to act for the stockholder as proxy by transmitting or authorizing by means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such means of electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. If it is determined that such electronic transmissions are valid, the inspector or inspectors of stockholder votes or, if there are no such inspectors, such other persons making that determination shall specify the information upon which they relied.

A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date.

Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to the preceding paragraphs of this Section 1.6 (including any electronic transmission) may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Proxies shall be filed with the secretary of the meeting prior to or at the commencement of the meeting to which they relate.

Section 1.7 Voting. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Certificate of Incorporation, these By-Laws, the DGCL or applicable law a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing, where a separate vote by a class or

series or classes or series is required and a quorum is present, the affirmative vote of a majority of the shares of such class or series or classes or series present in person or represented by proxy shall be the act of such class or series or classes or series, unless the question is one upon which by express provision of the Certificate of Incorporation, these By-Laws, the DGCL or applicable law a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 1.8 Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 1.9 Action by Written Consent. At any time when action by one or more classes or series of stockholders of the Corporation is permitted to be taken by written consent pursuant to the terms and limitations set forth in the Certificate of Incorporation, then, subject to applicable law, the provisions of this section shall apply. All consents properly delivered in accordance with the Certificate of Incorporation and the DGCL shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Corporation as required by the DGCL, written consents signed by the holders of a sufficient number of shares to take such corporate action are so delivered to the Corporation in accordance with the applicable provisions of the DGCL. Prompt notice of the taking of the corporate action without a meeting

by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided in the applicable provisions of the DGCL. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof. In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board is required by the DGCL, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is required by the DGCL, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

Section 1.10 List of Stockholders Entitled to Vote. The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (*provided*, *however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting; or (b) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 1.11 Inspector of Stockholder Votes. The Board, in advance of all meetings of the stockholders, may appoint one or more inspectors of stockholder votes, who may be

employees or agents of the Corporation or stockholders or their proxies, but who shall not be directors of the Corporation or candidates for election as directors. In the event that the Board fails to so appoint one or more inspectors of stockholder votes or, in the event that one or more inspectors of stockholder votes previously designated by the Board fails to appear or act at the meeting of stockholders, the chairman of the meeting may appoint one or more inspectors of stockholder votes to fill such vacancy or vacancies. Inspectors of stockholder votes appointed to act at any meeting of the stockholders, before entering upon the discharge of their duties, shall take and sign an oath to faithfully execute the duties of inspector of stockholder votes with strict impartiality and according to the best of their ability and the oath so taken shall be subscribed by them. The inspector or inspectors so appointed or designated shall (a) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (b) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by applicable law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law.

Section 1.12 Meetings.

(a) Annual Meetings of Stockholders.

(i) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 1.3 of these By-Laws, (B) by or at the direction of the Board or any authorized committee thereof or (C) by any stockholder of the Corporation who is entitled to vote on such election or such other business at the meeting, who has complied with the notice procedures set forth in subparagraphs (ii) and (iii) of this Section 1.12(a) and who was a stockholder of record at the time such notice was delivered to the Secretary of the Corporation.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 1.12(a)(i)(D) of these By-laws, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation (even if such matter is already the subject of any notice to the stockholders or a public announcement from the Board), and, in the case of business other than nominations of persons for election to the Board, such other business must be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting; *provided*, *however*, that in the event that the date of the annual meeting is scheduled for more than thirty (30) days before, or more than seventy (70) days following, such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not later than the tenth day following the day on which public announcement of the date of such

meeting is first made. For purposes of the application of Rule 14a-4(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (or any successor provision), as applicable, the date for notice specified in this Section 1.12(a)(ii) shall be the earlier of the date calculated as hereinbefore provided or the date specified in paragraph (c)(1) of Rule 14a-4. For purposes of the first annual meeting of stockholders following the adoption of these By-Laws, the date of the preceding year's annual meeting shall be deemed to be [●] of the preceding calendar year.

Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or re-election as a director (1) a completed director nominee questionnaire, which questionnaire shall be provided by the Corporation, within five days of any written request, to such stockholder, which shall include all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to, as applicable, Canadian securities laws and Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder, including such person's written consent to being named in the proxy circular or statement as a nominee and to serving as a director if elected, (2) stating whether such person is or may become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation or has received or may receive any compensation or other payment from any person or entity other than the Corporation, in each case in connection with candidacy, service or action as a director of the Corporation, (3) certifying that such person, if elected, will comply with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines and any other policies and guidelines of the Corporation applicable to directors, as well as any applicable law, rule or regulation or listing requirement; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these By-Laws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest, direct or indirect, by way of ownership of securities or otherwise in such business of such stockholder and the beneficial owner, if different, on whose behalf the proposal is made; (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books and records, and of such beneficial owner, (2) the class or series and number of shares of capital stock of the Corporation which are owned directly or indirectly, beneficially and of record by such stockholder and such beneficial owner, (3) a representation that the stockholder is a holder of record of the stock of the Corporation at the time of the giving of the notice, will be entitled to vote at such meeting and will appear in person or by proxy at the meeting to propose such business or nomination, (4) a representation whether the stockholder or the beneficial owner, if any, will be or is part of a group which will (a) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise solicit proxies or votes from stockholders in support of such proposal or nomination, (5) a certification regarding whether such stockholder and beneficial owner, if any, have complied with all applicable federal, state and other legal requirements in connection with the stockholder's and/or beneficial owner's acquisition of shares of capital stock or other securities of the Corporation and/or the stockholder's and/or beneficial owner's acts or omissions as a stockholder of the

Corporation, (6) if the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, a representation whether such stockholder intends or is part of a group which intends to solicit proxies or votes from stockholders in support of director nominees other than the Corporation's nominees or nomination in accordance with Rule 14a-19 under the Exchange Act, and if so, providing the information required to be provided pursuant to Rule 14a-19(b) under the Exchange Act and (7) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with, as applicable, Canadian securities laws, Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder, including the information required to be provided pursuant to Rule 14a-19 under the Exchange Act, if applicable; (D) a description of any agreement, arrangement or understanding with respect to the nomination or proposal and/or the voting of shares of any class or series of stock of the Corporation between or among the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made, any of their respective affiliates or associates and/or any others acting in concert with any of the foregoing (collectively, "proponent persons"); and (E) a description of any agreement, arrangement or understanding (including without limitation any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) the intent or effect of which may be (1) to transfer to or from any proponent person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation, (2) to increase or decrease the voting power of any proponent person with respect to shares of any class or series of stock of the Corporation and/or (3) to provide any proponent person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of the Corporation. A stockholder providing notice of a proposed nomination for election to the Board or other business proposed to be brought before a meeting (whether given pursuant to this Section 1.12(a)(ii) or Section 1.12(b)) shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct as of the record date for determining the stockholders entitled to notice of the meeting and as of the date that is fifteen (15) days prior to the meeting or any adjournment or postponement thereof, provided that if the record date for determining the stockholders entitled to vote at the meeting is less than fifteen (15) days prior to the meeting or any adjournment or postponement thereof, the information shall be supplemented and updated as of such later date. Any such update and supplement shall be delivered in writing to the Secretary at the principal executive offices of the Corporation not later than five (5) days after the record date for determining the stockholders entitled to notice of the meeting (in the case of any update or supplement required to be made as of the record date for determining the stockholders entitled to notice of the meeting), not later than ten (10) days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update or supplement required to be made as of fifteen (15) days prior to the meeting or any adjournment or postponement thereof) and not later than five (5) days after the record date for determining the stockholders entitled to vote at the meeting, but no later than the date prior to the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of a date less than fifteen (15) days prior the date of the meeting or any adjournment or postponement thereof). The Corporation may require any proposed nominee to furnish such other information

as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation and to determine the independence of such director under Canadian securities laws, the Exchange Act and rules and regulations thereunder and other applicable laws.

If the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, the foregoing notice requirements of Section 1.12(a)(ii) shall be deemed satisfied by a stockholder as to any proposal (other than nominations) if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Exchange Act, and such stockholder has complied with the requirements of such Rule for inclusion of such proposal in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting. Nothing in this Section 1.12(a)(ii) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

If the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, a stockholder and/or beneficial owner who has delivered a notice of nomination in accordance with Rule 14a-19 under the Exchange Act shall, not later than five (5) business days prior to the date of the applicable meeting of stockholders, deliver to the Corporation reasonable evidence that such stockholder and/or such beneficial owner has met and complied with all of the requirements of these By-Laws and of Rule 14a-19 under the Exchange Act. Notwithstanding anything to the contrary in these By-Laws, if the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, unless otherwise required by applicable law, if (1) any stockholder or beneficial owner, if any, on whose behalf a nomination is made provides notice pursuant to Rule 14a-19(b) under the Exchange Act or includes the information required by Rule 14a-19(b) in a preliminary or definitive proxy statement previously filed by such person (it being understood that such notice or filing shall be in addition to, and not in lieu of, the notices required under these By-Laws) and (2) (A) such stockholder or beneficial owner subsequently either (i) notifies the Corporation that it no longer intends to solicit proxies in support of the election or reelection of such director nominee in accordance with Rule 14a-19(b) under the Exchange Act or (ii) fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder or such beneficial owner has met the requirements of Rule 14a-19(a)(3) under the Exchange Act in accordance with the preceding sentence), then the nomination of each such proposed nominee shall be disregarded and no vote on the election of such proposed nominee shall occur, notwithstanding that such nomination is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies in respect of the election of such proposed nominees may have been received by the Corporation.

(iii) Notwithstanding anything in the second sentence of Section 1.12(a)(ii) to the contrary, in the event that the number of directors to be elected to the Board is increased, effective after the time period for which nominations would otherwise be due under Section 1.12(a)(ii), and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board made by the Corporation at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.12 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the

Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which a public announcement of such increase is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 1.3 of these By-Laws. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board or a committee thereof or (ii) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is entitled to vote on such election at the meeting, who has complied with the notice procedures set forth in this Section 1.12 and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting if the stockholder's notice as required by Section 1.12(a)(ii) is delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting.

(c) General.

(i) Only persons who are nominated in accordance with the procedures set forth in this Section 1.12 shall be eligible to be elected to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.12. Except as otherwise provided by applicable law, the Certificate of Incorporation or these By-Laws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 1.12 and, if any proposed nomination or business is not in compliance with this Section 1.12, to declare that such defective nomination shall be disregarded or that such proposed business shall not be transacted.

Notwithstanding the foregoing provisions of this Section 1.12, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.12, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce

such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(ii) If authorized by the Board in its sole discretion, and subject to such rules, regulations and procedures as the Board may adopt, stockholders of the Corporation and proxyholders not physically present at a meeting of stockholders of the Corporation may, by means of remote communication participate in a meeting of stockholders of the Corporation and be deemed present in person and vote at a meeting of stockholders of the Corporation whether such meeting is to be held at a designated place or solely by means of remote communication; *provided*, *however*, that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder of the Corporation or proxyholder; (B) the Corporation shall implement reasonable measures to provide such stockholders of the Corporation and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders of the Corporation, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (C) if any stockholder of the Corporation or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

(iii) For purposes of this Section 1.12, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service in Canada and/or the United States, as applicable, in a document publicly filed with or furnished by the Corporation to, as applicable, applicable securities regulatory authorities in Canada pursuant to Canadian securities laws and the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act or otherwise disseminated in a manner constituting "public disclosure" under, as applicable, Canadian securities laws and Regulation FD promulgated by the Securities and Exchange Commission.

(iv) No adjournment or postponement or notice of adjournment or postponement of any meeting shall be deemed to constitute a new notice (or extend any notice time period) of such meeting for purposes of this Section 1.12, and in order for any notification required to be delivered by a stockholder pursuant to this Section 1.12 to be timely, such notification must be delivered within the periods set forth above with respect to the originally scheduled meeting.

(v) Notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of Canadian securities laws, the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.12; *provided*, *however*, that, to the fullest extent permitted by applicable law, any references in these By-Laws to Canadian securities laws or the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1.12 (including Section 1.12(a)(i)(D) and Section 1.12(b) hereof), and compliance with Section 1.12(a)(i)(D) and Section 1.12(b) shall be the exclusive means for a stockholder to make nominations or submit other business. Nothing in this Section 1.12 shall apply to the right, if any,

of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1 Number. The total number of directors constituting the whole Board shall, subject to the Certificate of Incorporation, be seven (7), which may be modified from time to time by resolution adopted by the Board. The composition of the Board shall be as set forth in the Certificate of Incorporation. Directors shall (except as hereinafter provided for the filling of vacancies and newly created directorships and except as otherwise expressly provided in the Certificate of Incorporation) be elected by the holders of a plurality of the votes cast by the holders of shares present in person or represented by proxy at the meeting and entitled to vote on the election of such directors in accordance with the terms of applicable law and the Certificate of Incorporation, as applicable. A majority of the total number of directors then in office shall constitute a quorum for the transaction of business. Except as otherwise provided by applicable law, these By-Laws or the Certificate of Incorporation, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board. Directors need not be stockholders.

Section 2.2 Filling Vacancies. Subject to the Certificate of Incorporation, unless otherwise required by the DGCL or Section 2.4 of these By-Laws, any newly created directorship on the Board that results from an increase in the number of directors and any vacancy occurring in the Board (whether by death, resignation, removal, retirement, disqualification or otherwise) shall be filled only by a majority of the directors then in office, although less than a quorum, by any authorized committee of the Board or by a sole remaining director.

Section 2.3 Meetings. Meetings of the Board shall be held at such place, if any, within or without the State of Delaware as may from time to time be fixed by resolution of the Board or as may be specified in the notice of any meeting. Regular meetings of the Board shall be held at such times as may from time to time be fixed by resolution of the Board and special meetings may be held at any time upon the call of the Chairman of the Board, the Chief Executive Officer, or by a majority of the total number of directors then in office, by written notice, including facsimile, e-mail or other means of electronic transmission, duly served on or sent and delivered to each director in accordance with Section 10.2. Notice of each special meeting of the Board shall be given, as provided in Section 10.2, to each director (a) at least twenty-four (24) hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (b) at least two (2) days before the meeting if such notice is sent by a nationally recognized overnight delivery service; and (c) at least five (5) days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. The notice of any meeting need not specify the purposes thereof. A meeting of the Board may be held without notice immediately after the annual meeting of stockholders at the same place, if any, at which such meeting is held. Notice need not be given of regular meetings of the Board

held at times fixed by resolution of the Board. Notice of any meeting need not be given to any director who shall attend such meeting (except when the director attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened), or who shall waive notice thereof, before or after such meeting, in writing (including by electronic transmission).

Section 2.4 Preferred Stock Representation. Notwithstanding the foregoing, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, as applicable, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal, and other features of such directorships shall be governed by the terms of the Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) applicable thereto. The number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the total number of directors fixed by the Board pursuant to the Certificate of Incorporation and these By-Laws. Except as otherwise expressly provided in the terms of such series, the number of directors that may be so elected by the holders of any such series of stock shall be elected for terms expiring at the next annual meeting of stockholders, and vacancies among directors so elected by the separate vote of the holders of any such series of Preferred Stock shall be filled by the affirmative vote of a majority of the remaining directors elected by such series, or, if there are no such remaining directors, by the holders of such series in the same manner in which such series initially elected a director.

Section 2.5 Committees. The Board may from time to time establish one or more committees of the Board to serve at the pleasure of the Board, which shall be comprised of such members of the Board and have such duties as the Board shall from time to time determine. Any director may belong to any number of committees of the Board. Subject to the Certificate of Incorporation, the Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Unless otherwise provided in the Certificate of Incorporation, these By-Laws or the resolution of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and may delegate to a subcommittee any or all of the powers and authority of the committee.

Section 2.6 Written Action. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing (including by electronic transmission), and the writing or writings (including any electronic transmission or transmissions) are filed with the minutes of proceedings of the Board.

Section 2.7 Electronic Participation. The members of the Board or any committee thereof may participate in a meeting of such Board or committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons

participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at such a meeting.

Section 2.8 Compensation of Directors. The Board may establish policies for the compensation of directors and for the reimbursement of the expenses of directors, in each case, in connection with services provided by directors to the Corporation.

ARTICLE III

OFFICERS

Section 3.1 Election. The Board shall elect officers of the Corporation, including a Chief Executive Officer, a President and a Secretary. The Board may also from time to time elect such other officers as it may deem proper or may delegate to any elected officer of the Corporation the power to appoint and remove any such other officers and to prescribe their respective terms of office, authorities and duties. Any Vice President may be designated Executive, Senior or Corporate, or may be given such other designation or combination of designations as the Board or the Chief Executive Officer may determine. Any two or more offices may be held by the same person. The Board may also elect or appoint a Chairman of the Board, who may or may not also be an officer of the Corporation. The Board may elect or appoint co-Chairmen of the Board, co-Presidents or co-Chief Executive Officers and, in such case, references in these By-Laws to the Chairman of the Board, the President or the Chief Executive Officer shall refer to either such co-Chairman of the Board, co-President or co-Chief Executive Officer, as the case may be.

Section 3.2 Term. All officers of the Corporation elected by the Board shall hold office for such terms as may be determined by the Board or, except with respect to his or her own office, the Chief Executive Officer, or until their respective successors are chosen and qualified or until his or her earlier resignation or removal. Any officer may be removed from office at any time either with or without cause by the Board, or, in the case of appointed officers, by the Chief Executive Officer or any elected officer upon whom such power of removal shall have been conferred by the Board.

Section 3.3 Powers and Duties. Each of the officers of the Corporation elected by the Board or appointed by an officer in accordance with these By-Laws shall have the powers and duties prescribed by law, by these By-Laws or by the Board and, in the case of appointed officers, the powers and duties prescribed by the appointing officer, and, unless otherwise prescribed by these By-Laws or by the Board or such appointing officer, shall have such further powers and duties as ordinarily pertain to that office.

Section 3.4 Delegation. Unless otherwise provided in these By-Laws, in the absence or disability of any officer of the Corporation, the Board or the Chief Executive Officer may, during such period, delegate such officer's powers and duties to any other officer or to any director and the person to whom such powers and duties are delegated shall, for the time being, hold such office.

ARTICLE IV

INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 4.1 Indemnification of Officers and Directors. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative or any other type whatsoever (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; except as provided in Section 4.3 with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board.

Section 4.2 Advance of Expenses. In addition to the right to indemnification conferred in Section 4.1, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article IV (which shall be governed by Section 4.3) (hereinafter an "advancement of expenses"); *provided*, *however*, that, if (a) the DGCL requires or (b) in the case of an advance made in a proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made solely upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined after final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to indemnification under this Article IV or otherwise.

Section 4.3 Non-Exclusivity of Rights. If a claim under Section 4.1 or Section 4.2 is not paid in full by the Corporation within (a) sixty (60) days after a written claim for indemnification has been received by the Corporation or (b) twenty (20) days after a claim for an advancement of expenses has been received by the Corporation, the indemnitee may at any time

thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by applicable law, if the indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense of the Corporation that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article IV or otherwise shall be on the Corporation.

Section 4.4 Rights of the Corporation.

(a) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article IV, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article IV, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by applicable law or be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(b) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation or as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of expenses in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article IV, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Under no circumstance shall the Corporation be entitled to any right of subrogation against or contribution by the indemnitee-related entities and no right of

advancement, indemnification or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation under this Article IV. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation, and the indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 4.4(b), entitled to enforce this Section 4.4(b).

For purposes of this Section 4.4(b), the following terms shall have the following meanings:

(i) The term "indemnitee-related entities" means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnitee has agreed, on behalf of the Corporation or at the Corporation's request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation.

(ii) The term "jointly indemnifiable claims" shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnitee shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to applicable law, any agreement, certificate of incorporation, by-laws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.

Section 4.5 Continuation of Indemnification. The rights conferred upon indemnitees in this Article IV shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article IV that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

Section 4.6 D&O Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense,

liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 4.7 Indemnification of Employees or Agents. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article IV with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE V

CORPORATE BOOKS

The books of the Corporation may be kept inside or outside of the State of Delaware at such place or places as the Board may from time to time determine.

ARTICLE VI

CHECKS, NOTES, PROXIES, ETC.

All checks and drafts on the Corporation's bank accounts and all bills of exchange and promissory notes, and all acceptances, obligations and other instruments for the payment of money, shall be signed by such officer or officers or agent or agents as shall be authorized from time to time by the Board or such officer or officers who may be delegated such authority. Proxies to vote and consents with respect to securities of other corporations or other entities owned by or standing in the name of the Corporation may be executed and delivered from time to time on behalf of the Corporation by the Chairman of the Board, the Chief Executive Officer, or by such officers as the Chairman of the Board, Chief Executive Officer or the Board may from time to time determine.

ARTICLE VII

SHARES AND OTHER SECURITIES OF THE CORPORATION

Section 7.1 Certificated and Uncertificated Shares. The shares of the Corporation may be certificated or uncertificated, subject to the sole discretion of the Board and the requirements of the DGCL.

Section 7.2 Signatures. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by any two authorized officers of the Corporation, which authorized officers shall include, without limitation, the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Secretary or any Assistant Secretary of the Corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 7.3 Lost, Destroyed or Wrongfully Taken Certificates.

(a) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or such shares in uncertificated form if the owner: (i) requests such a new certificate before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser; (ii) if requested by the Corporation, delivers to the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(b) If a certificate representing shares has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the Corporation registers a transfer of such shares before receiving notification, the owner shall, to the fullest extent permitted by applicable law, be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

Section 7.4 Transfer of Stock.

(a) Transfers of record of shares of stock of the Corporation shall be made only upon the books administered by or on behalf of the Corporation and only upon proper transfer instructions, including by Electronic Transmission, pursuant to the direction of the registered holder thereof, such person's attorney lawfully constituted in writing, or from an individual presenting proper evidence of succession, assignment or authority to transfer the shares of stock; or, in the case of stock represented by certificate(s) upon delivery of a properly endorsed certificate(s) for a like number of shares or accompanied by a duly executed stock transfer power.

(b) The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 7.5 Registered Stockholders. Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

Section 7.6 Regulations. The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Corporation shall end on December 31 of each calendar year, unless otherwise determined by resolution of the Board.

ARTICLE IX

CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Corporation. In lieu of the corporate seal, when so authorized by the Board or a duly empowered committee thereof, a facsimile thereof may be impressed or affixed or reproduced.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Notice to Attendees. Whenever notice is required to be given by law or under any provision of the Certificate of Incorporation or these By-Laws, notice of any meeting need not be given to any person who shall attend such meeting (except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened), or who shall waive notice thereof, before or after such meeting, in writing (including by electronic transmission).

Section 10.2 Means of Giving Notice. Except as otherwise set forth in any applicable law or any provision of the Certificate of Incorporation or these By-Laws, notice of any meeting shall be given by the following means:

(a) Notice to Directors. Whenever under applicable law, the Certificate of Incorporation or these By-Laws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by mail, or by a nationally recognized delivery service, (ii) by means of facsimile telecommunication or other form of electronic transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (A) if given by hand delivery, orally, or by telephone, when actually received by the director, (B) if sent through the United States or Canadian mail, when deposited in the United States or Canadian mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (C) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records

of the Corporation, (D) if sent by facsimile telecommunication, when sent to the facsimile transmission number for such director appearing on the records of the Corporation, (E) if sent by electronic mail, when sent to the electronic mail address for such director appearing on the records of the Corporation, or (F) if sent by any other form of electronic transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(b) Electronic Transmission. "Electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

(c) Notice to Stockholders Sharing Same Address. Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these By-Laws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder may revoke such stockholder's consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within sixty (60) days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

(d) Exceptions to Notice Requirements.

(i) Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these By-Laws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(ii) Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these By-Laws, to any stockholder to whom (A) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (B) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a twelve (12) month period, have been mailed addressed to such stockholder at such stockholder's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the

Corporation a written notice setting forth such stockholder's then current address, the requirement that notice be given to such stockholder shall be reinstated. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL. The exception in subsection (A) of the first sentence of this paragraph to the requirement that notice be given shall not be applicable to any notice returned as undeliverable if the notice was given by electronic transmission.

Section 10.3 Interpretation. Section headings in these By-Laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10.4 Certificate of Incorporation Governs. In the event that any provision of these By-Laws is or becomes inconsistent with any provision of the Certificate of Incorporation or the DGCL, the provision of these By-Laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE XI

AMENDMENT

These By-Laws may be made, amended, altered, changed, added to or repealed as set forth in the Certificate of Incorporation.

APPENDIX "H"
FAIRNESS OPINION

See attached.

October 8th, 2024

The Special Committee of the Board of Directors and the Board of Directors
The Westaim Corporation
70 York Street, Suite 1700
Toronto, Ontario
Canada M5J 1S9

To the Special Committee and the Board of Directors:

BMO Nesbitt Burns Inc. ("BMO Capital Markets" or "we" or "us") understands that The Westaim Corporation (the "Company") and Wembley Group Partners, LP (the "Investor"), an affiliate of CC Capital Partners, LLC (together with its affiliates, "CC Capital") propose to enter into an investment agreement on or about October 9, 2024, as it may, or may have been, modified, amended or supplemented in accordance with its terms (the "Investment Agreement"), pursuant to which, among other related transaction steps, the Company would (a) issue to the Investor approximately (i) 71,878,947 common shares in the capital of the Company (the "Common Shares"), (ii) par warrants to purchase 7,822,057 Common Shares with an exercise price of CAD$4.02 per Common Share, and (iii) incentive warrants to purchase 23,466,171 Common Shares at a price of CAD$4.75 per Common Share, for aggregate gross proceeds of US$250,000,000; and (b) restructure the ownership of Arena Investors, LP ("Arena") to acquire the remaining 49% of equity of Arena that the Company does not already own from Bernard Partners, LLC. The Company has committed to using the proceeds from the Investor's investment, along with certain other funds, to invest approximately USD $620 million in exchange for 100% of the limited partnership interests of a new vehicle managed by CC Capital that will, in turn, subject to the satisfaction of certain conditions, acquire an affiliate of CC Capital that has entered into an agreement to acquire ManhattanLife of American Insurance Company (the foregoing is collectively referred to as the "Transaction").

The terms and conditions of the Transaction will be summarized in the Company's management information circular (the "Circular") to be mailed to holders of Common Shares (the "Shareholders") in connection with a special meeting of the Shareholders to be held to consider and, if deemed advisable, approve the Transaction.

We have been retained to provide financial advice to the special committee (the "Special Committee") of the board of directors of the Company (the "Board of Directors"), including providing our opinion (the "Opinion") to the Special Committee and the Board of Directors as to the fairness from a financial point of view of the Transaction to the Company.

Engagement of BMO Capital Markets

The Special Committee initially contacted BMO Capital Markets regarding a potential advisory assignment in September 2024. BMO Capital Markets was formally engaged by the Special Committee pursuant to an agreement effective as of September 6th, 2024 (the "Engagement Agreement"). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed

to provide the Special Committee with various advisory services in connection with the Transaction including, among other things, the provision of the Opinion.

BMO Capital Markets will receive a fixed fee for rendering the Opinion, which is not contingent on successful completion of the Transaction. The Company has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

Credentials of BMO Capital Markets

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Independence of BMO Capital Markets

Neither BMO Capital Markets, nor any of our 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 Investor, CC Capital, or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than: (i) acting as financial advisor to the Special Committee pursuant to the Engagement Agreement; and (ii) acting as a joint bookrunner to the Company with respect to a secondary offering of common shares of Skyward Specialty Insurance in June 2023. The fees received for the foregoing engagements were not material to BMO Capital Markets.

There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary

course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Transaction. In addition, Bank of Montreal ("BMO"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

Scope of Review

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Investment Agreement, including certain ancillary agreements appended thereto, or incorporated by reference therein, dated October 7th, 2024;

2. a draft of the equity commitment letter dated October 6th, 2024 and provided by CC Capital SP, LP to the Company in connection with the Transaction;

3. certain publicly available information relating to the business, operations, financial condition and trading history of the Company and other selected public companies we considered relevant;

4. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company relating to the business, operations and financial condition of the Company;

5. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of the Company;

6. discussions with management of the Company and their representatives relating to the Company's current business, plan, financial condition and prospects;

7. discussions with the Special Committee and its legal counsel relating to the Transaction;

8. various reports published by equity research analysts and industry sources we considered relevant;

9. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company; and

10. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control requested by BMO Capital Markets.

Assumptions and Limitations

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets (collectively, the "Forecasts") provided to us and used in our analyses were reasonably prepared on bases reflecting the best then available assumptions, estimates and judgments of management of the Company, or of those responsible for preparing such Forecasts, having regard to the Company's business, plans, financial condition and prospects.

Senior officers of the Company have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally or in writing by the Company or any of its subsidiaries (as defined in National Instrument 45-106 – *Prospectus Exemptions*) or any of its or their representatives in connection with our engagement, with the exception of any portions of the Information that constitute Forecasts, was at the date the Information was provided to BMO Capital Markets, and is as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed publicly or as disclosed in writing to BMO Capital Markets (including in more current Information), there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, and no change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed that the executed Investment Agreement (including certain ancillary agreements appended thereto, contemplated thereby or incorporated by reference therein) will not differ in any material respect from the drafts that we reviewed (except as otherwise disclosed to us on or prior to the date hereof), and that the Transaction will be consummated in accordance with the terms and conditions of the Investment Agreement without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Transaction.

The Opinion is provided to the Special Committee and the Board of Directors for their exclusive use only in considering the Transaction and may not be used or relied upon by any other person or

for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any Shareholder should vote or act on any matter relating to the Transaction. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company or of any of its affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Transaction and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company.

The Opinion is rendered as of the date hereof and BMO Capital Markets 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 the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

Conclusion

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Transaction is fair from a financial point of view to the Company.

Yours truly,

BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.

APPENDIX "I"
THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF ARENA INVESTORS GROUP HOLDINGS, LLC

See attached.

THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

ARENA INVESTORS GROUP HOLDINGS, LLC

THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF

ARENA INVESTORS GROUP HOLDINGS, LLC

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THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF ARENA INVESTORS GROUP HOLDINGS, LLC

Originally entered into as of August 31, 2015 and amended and restated as of May 23, 2016, November 27, 2019 and [●] [●], 202[●]

This Third Amended and Restated Limited Liability Company Agreement (this "Agreement") of Arena Investors Group Holdings, LLC (the "Company"), dated as of [●] [●], 202[●] (the "Effective Date"), is made by and among The Westaim Corporation of America (together with its Permitted Transferees, "WCA"), Bernard Partners, LLC (together with its Permitted Transferees, "BP"),CC Capital Partners, LLC (together with its Permitted Transferees, "CC") and any Persons hereafter admitted as Members in accordance with the terms of this Agreement (but excluding any Persons who cease to be Members pursuant to Article VI of this Agreement). Terms used but not otherwise defined herein have the meanings given thereto in Section 11.01 of this Agreement.

WHEREAS, the Company was formed on May 22, 2015 upon the filing of its Certificate of Formation with the Secretary of State of Delaware.

WHEREAS, on or prior to the Effective Date, in connection with the consummation of the transactions contemplated by that certain Investment Agreement (the "Investment Agreement"), dated as of October 9, 2024, by among Wembley Group Partners, L.P., the Company and the Westaim Corporation, the Company has consummated the Arena Reorganization pursuant to the Arena Agreements upon satisfaction of the condition set forth in Section 7.02(d) (Closing Revenue Run-Rate) of the Investment Agreement.

WHEREAS, on the Effective Date, pursuant to that certain [Subscription/Grant Agreement][1], and effective upon the Investment Closing, CC has become a Member of the Company and received the membership Interest set forth on Schedule A hereto and this Agreement has become effective on the Effective Date .

WHEREAS, the Members desire to enter into this Agreement to set forth their agreements with respect to the management and affairs of the Company, the conduct of its business, and the Members' relative rights, obligations and duties with respect to each other and as to the Company's business, management, operations, assets and liabilities.

WHEREAS, this Agreement is intended to result, for U.S. federal and applicable state and local tax income tax purposes, in a non-taxable recapitalization of the Company.

NOW, THEREFORE, the parties hereto agree as follows:

[1] **Note to Draft**: Form of Subscription Agreement to be agreed between the parties between signing and closing.

ARTICLE I

GENERAL PROVISIONS

Section 1.01. Formation of LLC; Name and Address. The Company was formed as a limited liability company as of the date of the filing of the Certificate of Formation (the "Certificate of Formation") of the Company with the Secretary of State of the State of Delaware pursuant to the provisions of the Act. The name of the Company is Arena Investors Group Holdings, LLC (formerly known as Westaim Arena Holdings II, LLC). The Board of Directors, in its sole discretion, may change the name of the Company at any time and from time to time; provided, however, that the name of the Company shall include the words "Limited Liability Company" or the abbreviation "L.L.C." or the designation "LLC". Notification of any such change will be given to the Members. WCA, in its sole discretion, may request at any time that the Company change its name to remove the name "Westaim" or any variations and derivatives thereof and the Company shall promptly cooperate with any such request. The Company's business may be conducted under its name and/or any other name or names as the Board of Directors may deem advisable. The principal office of the Company is located at 405 Lexington Avenue, 59th Floor, New York, NY 10174, or at such other location as the Board of Directors in the future may designate.

Section 1.02. Registered Office; Registered Agent. The address of the registered office of the Company in the State of Delaware is c/o Vcorp Services, LLC, 1811 Silverside Road, Wilmington, Delaware 19810. The name and address of the registered agent of the Company in the State of Delaware for service of process on the Company is Vcorp Services, LLC, 1811 Silverside Road, Wilmington, Delaware 19810. Such office and such agent may be changed from time to time by the Board of Directors in its discretion through appropriate filings with the Secretary of State of the State of Delaware.

Section 1.03. Purposes and Power.

(a) The Company is organized for the purpose of providing, directly or through one or more Subsidiaries or joint ventures, a full range of investment advisory and management services, including providing such services to one or more investment funds, investment partnerships, separately managed accounts or other similar entities (together with any similar entities, the "Clients") pursuant to an investment advisory agreement or other similar agreements between the Company or a subsidiary of the Company and the Client and engaging in any financing activity or any other investment business or activity consistent with the foregoing (the "Business").

(b) Subject to the provisions of this Agreement and the Act, the Company will possess and may exercise all of the powers and privileges granted to it by the Act, by any other law or by this Agreement, together with all powers incidental thereto, so far as such powers are necessary or convenient to the conduct, promotion or attainment of the Business, purposes or activities of the Company.

Section 1.04. Fiscal Year. The fiscal year of the Company (the "Fiscal Year") shall end on December 31 of each year; provided, however, that the Board of Directors, in its sole discretion, may elect to change the fiscal year-end of the Company to such date as the Board of

Directors may elect. The taxable year of the Company shall end on December 31 of each year, unless otherwise required by the Code.

Section 1.05. Term. The term of the Company began on the date the Certificate of Formation was filed and shall continue until terminated as provided herein.

Section 1.06. Limited Liability. Except as otherwise required by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member or Director shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or Director. All Persons dealing with the Company shall look solely to the assets of the Company for the payment of the debts, obligations or liabilities of the Company.

Section 1.07. Transfers of Interest. Except with respect to a Permitted Transfer or in accordance with Article VII, no Member shall have the right to Transfer all or any part of its Interest in the Company without the consent of the Board of Directors, which may be granted or withheld in its sole discretion; provided that, any such proposed Transfer by CC shall also require the approval of a majority of the independent directors of the board of directors of the Westaim Corporation who were not nominated by CC. Any purported Transfer of all or any part of an Interest in the Company in contravention of this Section 1.07 shall be null and void and of no force and effect and will not be recognized or permitted by, or reflected in the official books and records of the Company. Unless admitted as a Member in accordance with the provisions of Section 5.02 of this Agreement, the transferee of all or any portion of a Member's Interests in the Company will not be a Member, but instead will be treated as an assignee subject to the provisions of Article VI. Each Member acknowledges that the prohibitions and restrictions in this Section 1.07 are reasonable and are in the best interests of the Company and the Members as a whole.

(a) Except as otherwise set forth herein, any Member who Transfers any Interest in the Company will cease to be a Member of the Company with respect to such Transferred Interest and will no longer have any rights or privileges of a Member with respect to such Transferred Interest. Notwithstanding to the contrary in this Agreement, in connection with a transfer for U.S. federal income tax purposes by BP (or, if applicable, the BP Members), including in connection with a BP Member Redemption Event pursuant to Section 7.03 of this Agreement, the Company shall allocate income pursuant to Section 706 of the Code utilizing the "closing of the books" method and the "calendar day convention."

(b) Any Person who acquires in any manner whatsoever any Interest in the Company, irrespective of whether such Person has accepted and adopted in writing the terms and provisions of this Agreement, will be deemed by the acceptance of the benefits of the acquisition thereof to have agreed to be subject to and bound by all of the terms and conditions of this Agreement that any predecessor in such Interest in the Company of such Person was subject to or by which such predecessor was bound. Except as otherwise specifically provided in this Agreement or with unanimous approval (including by written consent) of all Directors ("Unanimous Consent"), all economic attributes of a transferor Member's Interest in the Company (such as the Member's Capital Contribution, Capital Account balance, and obligation to return Distributions or make other payments to the Company) will carry over to a transferee or assignee in proportion to the percentage of the Interest in the Company so Transferred.

(c) Notwithstanding any provision of this Agreement to the contrary, a Member will not, by virtue of having Transferred all or any portion of its Interest in the Company, be relieved of any obligations arising under this Agreement prior to such Transfer; provided, however, that a Member will be relieved of such obligations to the extent that: (i) such relief is approved by the Board of Directors; and (ii) such obligations are assumed by another Member or Person admitted to the Company as a Member.

(d) In addition to all other terms and conditions contained in this Agreement, unless waived by the Board of Directors, no Transfers may be completed or effective for any purpose unless:

(i) The Transferring Member and transferee have executed and delivered to the Company a written instrument of Transfer in form and substance reasonably satisfactory to the Board of Directors pursuant to which the transferee assumes all obligations of the Transferring Member associated with the Transferred Interest and otherwise agrees to comply with the terms and provisions of this Agreement;

(ii) All necessary third party consents to the Transfer have been obtained;

(iii) The transferee has paid all reasonable expenses incurred by the Company (including any legal and accounting fees) in connection with such Transfer;

(iv) The Transferring Member has, at its expense, provided sufficient information to allow counsel to the Company to make the determination contemplated in clause (v) below. The Board of Directors will use reasonable efforts to assist the Transferring Member in obtaining Company information necessary for such Member to satisfy the foregoing obligations; and

(v) Such Transfer would not, in the reasonable determination of the Board of Directors: (A) give rise to a requirement that the Company register the transaction (or the Transferred Interest) under Section 5 of the Securities Act or under any similar state or foreign law; (B) otherwise subject the Company to additional regulatory requirements under United States federal, state, local or foreign law, compliance with which would subject the Company to material expense or burden (unless the Company consents to such Transfer); (C) result in (I) trading of interests in the Company on an "established securities market" within the meaning of Treasury Regulations Section 1.7704-1(b), (II) interests in the Company to be readily tradable on a "secondary market," or the substantial equivalent thereof, within the meaning of Section 7704(b)(2) of the Code, including an over-the-counter market or an interdealer quotation system that regularly disseminates firm buy or sell quotations, (III) the Company having more than 100 partners at any time for U.S. federal income tax purposes for purposes of Treasury Regulations Section 1.7704-1(h)(1)(ii), or (IV) otherwise cause the Company to be a "publicly traded partnership" within the meaning of Section 7704

of the Code; (D) result in any liability to the Company pursuant to Section 1446(f) of the Code; or (E) violate any law, regulation or other governmental rule, or result in a violation thereof by the Company.

(e) Notwithstanding anything to contrary in this Agreement, including this Section 1.07, there shall be no limitations on BP's ability to directly or indirectly transfer all or a portion of its interest in the Company to any BP Member or Affiliate thereof in connection with any transaction contemplated by this Agreement, including any BP Member Redemption Event.

ARTICLE II

MANAGEMENT OF THE COMPANY

Section 2.01. Management Generally. Except for situations in which the approval of the Members is expressly required by the terms of this Agreement or by applicable law, the business and affairs of the Company will be managed by or under the direction of the Board of Directors of the Company (the "Board of Directors") consisting of one or more natural persons appointed as directors as provided below (each, a "Director"). In addition to the powers that now or hereafter can be granted to managers under the Act and to all other powers granted under any other provision of this Agreement (but subject to the provisions of this Agreement which reserve certain rights to the Members or a class of Members), the Board of Directors will have, and is hereby granted, the full and complete power, authority and discretion to do all things and on such terms as it determines to be necessary or appropriate to conduct the business of the Company and to exercise all powers and effectuate the purposes set forth in this Agreement. Until changed in accordance with this Agreement, the Board of Directors shall consist of nine (9) members.

(a) Five (5) members shall be appointed by WCA (the "WCA Representatives").

(b) Four (4) members shall be appointed by BP; provided, that such four (4) members shall include Daniel Zwirn and Lawrence Cutler, respectively, so long as a BP Member Redemption Event has not occurred (the "Bernard Representatives"). Upon the occurrence of a BP Member Redemption Event in respect of Daniel Zwirn, all Bernard Representatives shall be automatically removed as directors. Upon the occurrence of a BP Member Redemption Event in respect of Lawrence Cutler or any other BP member other than Daniel Zwirn, such person shall be automatically removed as director if such person is a director at the time of such BP Member Redemption Event.

Section 2.02. Chairman of the Board of Directors. CC shall have the authority to designate the Chairman of the Board of Directors.

Section 2.03. Term. Each Director shall, unless otherwise provided by law, hold office until such individual is removed by the Member(s) appointing him or her, resigns or dies, or in the case of Daniel Zwirn or Lawrence Cutler, a BP Member Redemption Event has occurred with respect to such Person. A Director may resign by written notice to the Company, which resignation shall not require acceptance and, unless otherwise specified in the resignation notice, shall be effective upon receipt by the Company. If any Director for any reason ceases to serve as a Director during such Director's term of office, the resulting vacancy on the Board of Directors

shall be filled by the Member entitled to appoint such Director and each Member hereby agree to take such actions as may be required to ensure the election or appointment of such designee to fill such vacancy on the Board of Directors.

Section 2.04. Voting; Action by Board of Directors. Each Director shall be entitled to cast one vote. Unless otherwise provided herein, all decisions, actions, authorizations, and powers of the Board of Directors shall be made by a vote of the Directors holding a majority of the votes (which shall be not less than two) capable of being cast by all Directors present in person at a meeting at which a quorum is present pursuant to Section 2.06(c), or if by written consent, Directors holding a majority of the votes capable of being cast by all Directors. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the Directors holding a majority of the votes capable of being cast by all Directors, or all Directors if Unanimous Consent is required for such action, consent thereto in writing. Prompt notice of any action to be taken by written consent shall be given to all Directors in advance.

Section 2.05. Committees. The Board of Directors may establish or amend executive, audit, regulatory/compliance, compensation and/or other committees and delegate to such committees any or all of its powers, which delegated powers may be revoked by action of the Board of Directors at any time; provided that any such committee that may be established must include at least one WCA Representative and one Bernard Representative.

Section 2.06. Meetings.

(a) *Meetings and Notice.* Meetings of the Board of Directors may be held at such times and at such places as may from time to time be determined by the Board of Directors. Meetings of the Board of Directors may be called at any time by any Director on at least 48 hours' notice to each Director, either personally, by telephone or by mail, facsimile, e-mail or any other form of communication, at such place as may from time to time be determined by the Board of Directors for the holding of meetings. Meetings of the Board of Directors may be held in or outside of the State of Delaware. Notice of any meeting need not be given to any Director who agrees, either before or after such meeting, to a waiver of notice. Attendance of a Director at a meeting will constitute a waiver of notice of such meeting, except when the Director attends the meeting for the express purpose of objecting at the beginning thereof to the transaction of any business because the meeting is not properly called or convened. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

(b) *Telephone Attendance*. Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other or by any other means permitted by law and such participation shall constitute presence in person at such meeting.

(c) *Quorum*. Except as may be otherwise provided by law, at any meeting of the Board of Directors, the presence in person or remotely of at least a majority of the Directors shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the matter, whether or not a quorum is present, and the meeting may be held as adjourned without further notice if the time and place of the adjourned meeting are announced at the time of

adjournment and each Director not present (in person or remotely) is advised of such details reasonably in advance of the time to which the meeting was adjourned.

Section 2.07. Fees and Expenses; No Employment. Each Director shall be reimbursed by the Company for his or her reasonable out-of-pocket expenses incurred in the performance of such Director's duties as Director, including without limitation, reasonable out-of-pocket expenses of the Director incurred in connection with the business of the Company, liability and other insurance premiums, expenses incurred in the preparation of reports to the Members and any legal, accounting and other professional fees and expenses. In the discretion of the Board of Directors, a Director who is independent of and unaffiliated with BP, CC and WCA may be paid such fees for such Director's services as Director as the Board of Directors from time to time may determine by Unanimous Consent. This Agreement does not, and is not intended to, confer upon any Manager any rights with respect to continued employment by the Company, and nothing herein should be construed to have created any employment agreement with any Director. BP shall be reimbursed for all expenses of BP incurred by it in accordance with the BP LLCA, including without limitation pursuant to Section 3.09, 8.02 and 9.03 thereof (the "BP LLCA Expenses"). All of the reasonable and documented out-of-pocket fees and expenses incurred by AIGH, AI, BP, Daniel Zwirn and Lawrence Cutler in connection with the negotiation, preparation, execution and delivery this Agreement, the BP LLCA, the Employment Agreements and the related transactions involving the parties hereto (the "AIGH Transaction Expenses") shall be paid by the Company.

Section 2.08. Other Rules. The Board of Directors may adopt such other rules for the conduct of its business that are not inconsistent with this Agreement or the Act as it may from time to time deem necessary or appropriate.

Section 2.09. Power to Bind the Company. No Director (acting in his or her capacity as such) will have any authority to bind the Company to any third party with respect to any matter, except pursuant to a resolution expressly authorizing such action which resolution is duly adopted by the Board of Directors by the affirmative vote required for such matter pursuant to the terms of this Agreement. No officer of the Company shall have the authority to bind the Company except as delegated by the Board of Directors pursuant to this Agreement or pursuant to a binding resolution duly adopted by the Board of Directors.

Section 2.10. Other Business Ventures. A Director or officer of the Company will not be required to manage the Company as the Director's or officer's sole and exclusive function, but will devote so much of such Director's or officer's time and attention to the Company as the Director or officer believes to be appropriate for the oversight of the management and affairs of the Company. No Director or officer of the Company shall be prohibited from engaging in other business ventures merely by virtue of their service as a Director or officer, unless such restrictions are set forth in another agreement between such Director or officer and the Company or another Company Entity.

Section 2.11.Confidentiality. No Member or any of its Affiliates shall knowingly divulge, furnish or make available any trade secrets, portfolio or position reports or analysis, or other confidential information of the Company or its Affiliate to any third Person, without the Board of Directors' prior written consent (and, to the extent any of the Directors are conflicted with respect to such determination by the Board of Directors, including at least one non-conflicted

member of the Board of Directors). Upon the Board of Directors' request, such Member and its Affiliates shall promptly return to the Company all copies in such Person's possession of, any trade secrets, portfolio or position reports or analysis, or other confidential information of the Company or its Affiliates. Notwithstanding the foregoing, nothing herein shall prevent any Member or its Affiliates from responding to lawful subpoenas or court orders without the Company's prior written consent; provided, however, that, to the extent permitted by law, such Member or its Affiliate shall have given the Board of Directors of the Company prior written notice of any such subpoena or court order promptly following receipt thereof and shall have cooperated with any attempts by the Company to obtain a protective order with respect to such disclosure. Notwithstanding anything in the foregoing or anything else contained herein to the contrary, any Member and its Affiliates (and each of such Person's representatives or other agents) may (i) to the extent necessary to prevent the Company and its transactions from being described as a "confidential transaction" under Treasury Regulation Section 1.6011-4(b), disclose the tax treatment and tax structure of the Company and its transactions and any related tax strategies, (ii) make any public disclosure as such Member or any of its Affiliates reasonably believes to be required to comply with any securities laws or securities listing standards applicable to such Member or any of its Affiliates, and (iii) communicate with any governmental agency or entity, or with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity. No Member or any of its Affiliates shall engage in any conduct or communication (whether oral or written, and whether or not such communications would constitute legal slander or libel) that is or is intended to be negative, derogatory or disparaging about the Company, its Affiliates, Members or their respective operations, investments, strategies, policies, procedures or culture or any termination of the employment of any person serving as a Director or officer of the Company, provided however that this provision shall not limit (A) internal communications amongst the Company Entities their respective members, partners, shareholders, directors, officers and employees, (B) statements made in connection with any action to enforce the rights of any party against the Company, its Affiliates or any Director, officer or employee of the Company or any of their Affiliates, (C) statements made to the extent necessary to prevent the Company and its transactions from being described as a "confidential transaction" under Treasury Regulation Section 1.6011-4(b) or to disclose the tax treatment and tax structure of the Company and its transactions and any related tax strategies, (D) such public disclosures as such Member or any of its Affiliates reasonably believes to be required to comply with any securities laws or securities listing standards applicable to such Member or any of its Affiliates or (E) statements to any law enforcement, regulatory or self regulatory agency as may be required to be made to maintain compliance with law. Each Member shall cause its Affiliates to comply with the provisions of this Section 2.11. No Member or any of its Affiliates can be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (B) in a complaint or other document filed under seal in a lawsuit or other proceeding; provided, that notwithstanding such immunity from liability, a Member or Affiliate may be held liable if you unlawfully access trade secrets by unauthorized means. For the avoidance of doubt, this Section 2.11 shall not apply to any Member or any of its Affiliates, who is party to an employment agreement with the Company or any of its Affiliates (including the Employment Agreements).

Section 2.12. Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively upon the power and authority of the Board of Directors as herein set

forth and upon the power and authority of any officer, Director or Member as delegated to such officer, Director or Member by the Board of Directors.

Section 2.13. Exculpation.

(a) No Member, Director or officer of the Company or their Affiliates, including any Partnership Representative (and any "designated individual" thereof) (collectively, the "Indemnified Parties") shall be liable to any Member or the Company for mistakes of judgment or for any action or inaction taken in good faith in a manner reasonably believed to be in or not opposed to the best interests of the Company or the Members, unless such mistakes, action or inaction arise out of, or are attributable to the Indemnified Party's fraud, willful misconduct or gross negligence, or the breach of the terms of this Agreement or any other agreement between the Indemnified Party and the Company, its Subsidiaries or Members as a result of gross negligence, willful misconduct or fraud. Any Indemnified Party may consult with counsel, accountants, investment bankers, financial advisers, appraisers and other specialized, reputable, professional consultants or advisers in respect of Company affairs and be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such Persons, provided that they shall have been selected with reasonable care.

(b) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 2.13 shall not be construed so as to relieve (or attempt to relieve) the Indemnified Parties of any liability, to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the provisions of this Section 2.13 to the fullest extent permitted by law.

Section 2.14. Duties; Limitation of Liability.

(a) Whenever in this Agreement a Member is permitted or required to make a decision (including a decision that is in such Member's "discretion" or under a grant of similar authority or latitude), the Member shall be entitled to consider only such interests and factors as such Member desires, including such Member's own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company, the Members, or any other Person. Whenever in this Agreement a Member is permitted or required to make a decision in "good faith," such Member shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other applicable law.

(b) The parties hereto expressly acknowledge and agree that, subject to Section 2.12: (i) CC, WCA and each of their Affiliates are permitted to have, and may presently or in the future have, investments or other business relationships, ventures, agreements, or arrangements with entities engaged in the business of the Company, other than through the Company and its Subsidiaries (an "Other Business"); (ii) CC, WCA and each of their Affiliates have or may develop a strategic relationship with businesses that are or may be competitive with the Company and its Subsidiaries; (iii) none of CC, WCA or any of their Affiliates will be prohibited by virtue of CC's or WCA's investment in the Company from pursuing and engaging in any such activities; (iv) none of CC, WCA or any of their Affiliates will be obligated to inform the Company or any other Member of any such opportunity, relationship, or investment (a "Company Opportunity") or to present any such Company Opportunity, and the Company hereby renounces any interest in a Company

Opportunity and any expectancy that a Company Opportunity will be offered to it; (v) nothing contained herein shall limit, prohibit, or restrict any of the WCA Representatives from serving on the board of directors or other governing body or committee of any Other Business; and (vi) the other Members will not acquire, be provided with an option or opportunity to acquire, or be entitled to any interest or participation in any Other Business as a result of the participation therein of any of CC, WCA or their Affiliates. The parties hereto expressly authorize and consent to the involvement of CC, WCA and/or their Affiliates in any Other Business; provided that any transactions between the Company and/or its Subsidiaries and any Other Business will be on terms no less favorable to the Company and/or its Subsidiaries than would be obtainable in a comparable arm's-length transaction.

Section 2.15. Indemnification.

(a) To the fullest extent permitted under the Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Company is providing immediately prior to such amendment, substitution or replacement), the Company and its Subsidiaries will indemnify each Indemnified Party against all proceedings, claims, actions, investigations, liabilities, losses, damages, costs or expenses (including reasonable attorney fees and expenses, judgments, fines, or penalties) incurred or suffered by such Indemnified Party by reason of (i) such Indemnified Party's Corporate Status, (ii) the business, operations, properties, assets or other rights or liabilities of the Company or any of the Company Entities or (iii) any services provided prior, on or after the date of this Agreement by an Indemnified Party or its Affiliates to the Company or any of its Subsidiaries, whether the basis of such proceeding action alleged to have been taken or omitted in an official capacity as a Member, Director, officer or in any other capacity; provided that unless approved by the Board of Directors, no Indemnified Party shall be indemnified (A) with respect to proceedings, claims or actions (I) initiated or brought voluntarily by or on behalf of such Indemnified Party and not by way of defense or as otherwise authorized by the Board of Directors or (II) brought against such Indemnified Party in response to a proceeding, claim or action initiated or brought voluntarily by or on behalf of such Indemnified Party against the Company or any of its Subsidiaries, (B) for any amounts paid in settlement of a claim effected without the prior written consent of the Company to such settlement, (C) to the extent such proceedings, claims, actions, liabilities, losses, damages, costs or expenses arise from such Person's fraud, bad faith, willful misconduct, gross negligence or knowing violation of law or (D) for the avoidance of doubt, with respect to any breaches of any representations, warranties or covenants by any such Indemnified Party contained herein or in any other agreement with any Member or any Company Entity.

(b) Reasonable and documented out-of-pocket expenses, including reasonable and documented attorneys' fees and expenses of one counsel to such Indemnified Party, incurred by any such Indemnified Party in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such Indemnified Party to repay such amount if it shall ultimately be determined by a court of competent jurisdiction after exhaustion of all available appeals, that such Indemnified Party is not entitled to be indemnified by the Company.

(c) The indemnification provided by this Section 2.15 shall not be deemed to be exclusive of any other rights to which an Indemnified Party may be entitled under any agreement (including without limitation, in respect of a BP Member, any Employment Agreement of such BP Member with a Company Entity and the Indemnity Agreement between such BP Member and the Westaim Corporation, dated as of January 1, 2022, in each case as the same may be amended from time to time), or as a matter of law or otherwise, both as to action in such Indemnified Party's official capacity and to action in any other capacity, and shall continue as to an Indemnified Party who has ceased to have an official capacity for prior acts or omissions of such Indemnified Party in such Indemnified Party's official capacity or otherwise when acting in accordance with the terms hereof and shall inure to the benefit of the heirs, successors and administrators of such Indemnified Party.

(d) For the duration of any Indemnified Party's Corporate Status and for six (6) years following termination thereof, the Company and its Affiliates and any portfolio companies as to which such Indemnified Party serve as an officer or director shall maintain insurance on such Indemnified Party's behalf, at the expense of the Company and its Affiliates, against any liability which may be asserted against or incurred by them in any such capacity, whether or not the Company would have the power to indemnify the Indemnified Parties against such liability under the provisions of this Agreement.

(e) The Company hereby acknowledges that the Indemnified Parties may have or be granted rights to indemnification and advancement of expenses provided by a Member or its Affiliates (directly or by insurance provided by such Person) (collectively, the "Member Indemnitors"). The Company hereby agrees that it is the indemnitor of first resort of the Indemnified Parties with respect to matters for which indemnification is provided to them under this Agreement and that the Company will be obligated to make all payments due to or for the benefit of an Indemnified Party under this Agreement without regard to any rights that such Indemnified Party may have against a Member Indemnitor. The Company hereby waives and releases any and all equitable and other rights or claims to contribution, subrogation, or indemnification from or against the Member Indemnitors in respect of any amounts paid to an Indemnified Party hereunder. The Company further agrees that no payment of losses, damages, costs or expenses by any Member Indemnitor to or for the benefit of an Indemnified Party shall affect the obligations of the Company hereunder, and that the Company shall be obligated to repay the Member Indemnitors for all amounts so paid or reimbursed to the extent that the Company has an obligation to indemnify an Indemnified Party for such losses, damages, costs or expenses hereunder. The Member Indemnitors are third-party beneficiaries of and shall have the power and authority to enforce the provisions of this Section 2.15(e).

(f) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 2.15 shall not be construed so as to provide for the indemnification of an Indemnified Party for any liability to the extent (but only to the extent) that such indemnification would be in violation of applicable law or that such liability may not be indemnified under applicable law, but shall be construed so as to effectuate the provisions of this Section 2.15 to the fullest extent permitted by law. If this Section 2.15, or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Party pursuant to this Section 2.15 to the fullest extent permitted by any applicable portion of this Section 2.15 that shall not have been invalidated.

Section 2.16. Other Matters Concerning the Members.

(a) Each Member may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by such Member to be genuine and to have been signed or presented by the proper party or parties.

(b) The Company may enter into supplementary agreements with: (i) one or more Members regarding the rights and obligations of such Member(s) with respect to the Company (including, without limitation, agreements modifying or waiving restrictions on withdrawals, and agreements modifying or waiving vesting restrictions) and/or (ii) one or more officers or employees of the Company regarding the rights and obligations of such employee(s) with respect to the Company or its Subsidiaries and, among other things, such agreements may provide for allocations and Distributions to such Members and/or bonuses and other compensation to such officers and employees; provided, that any such supplementary agreement described in this Section 2.16(b) shall (i) be subject to approval by the Board of Directors and (ii) not adversely affect the rights of the other Members who are not party to such supplementary agreement .

Section 2.17. Officers; Agents.

(a) *Appointment of Certain Officers*. The Board of Directors shall have the power to appoint officers or agents to act for the Company with such titles, if any, as the Board of Directors deems appropriate and to delegate to such officers or agents, including any Director, such of the powers of the Board of Directors, including the power to execute documents on behalf of the Company, as the Board of Directors may in its sole discretion determine; provided, however the delegation of the power to take any action requiring Unanimous Consent shall require the Unanimous Consent of the Board of Directors. Any delegation of authority to the officers of the Company may be revoked at any time by the Board of Directors. The Company shall have a Chief Executive Officer, and the Company may have a President, Chief Investment Officer, Chief Financial Officer, Chief Operating Officer and one or more Vice Presidents, together with such other officers as the Board of Directors may subsequently designate. The Chief Executive Officer shall have general and active management and control of the business and affairs of the Company and its Subsidiaries subject to the control of the Board of Directors, and shall see that all orders and resolutions of the Board of Directors are carried into effect; provided, however, that the Chief Executive Officer shall have the discretion, power and authority to take any and all actions set forth in Schedule B without the approval of the Board of Directors. The Chief Executive Officer shall perform such other duties commensurate with such position as the Board of Directors shall prescribe. The President, if any, shall report to the Chief Executive Officer and shall have such roles and responsibilities as are delegated to such person by the Chief Executive Officer. The Chief Investment Officer, if any, shall oversee the development and implementation of investment strategies to be implemented with respect to Clients of the Company and its Subsidiaries, in line with (x) the Investment Guidelines set forth in the Sub-Advisory Agreement with respect to the managed assets covered by such Sub-Advisory Agreement and (y) with respect to other managed assets, the investment policies approved by the Board of Directors. The Chief Financial Officer of the Company, if any, shall have the care and custody of the Company's funds, and other valuable effects, including securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the

name and to the credit of the Company in such depositories as may be designated by the Board of Directors. The Chief Financial Officer, if any, shall disburse the funds of the Company and its Subsidiaries as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and Board of Directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all his or her transactions as Chief Financial Officer and of the financial condition of the Company. The Chief Operating Officer, if any, shall be responsible for the oversight of the Company's and its Subsidiaries' day to day operations, including the Company's and its Subsidiaries' procurement and use of information technology; provided, however, that the officers of the Company's Subsidiaries, shall be appointed and/or removed by the Board of Directors. The Vice President, if any, or, if there be more than one, the Vice Presidents, shall fulfill the roles set forth in a resolution of the Board of Directors appointing them as a Vice President of the Company.

(b) In the event that there is no Chief Financial Officer or Vice President, the Chief Executive Officer shall fulfill or delegate as it sees fit the respective duties and obligations for each position set forth in this Section 2.17. The officers shall not take any action or approve the taking of any action which is outside of the authorities set forth in this Agreement as otherwise limited or delegated by the Board of Directors without the specific approval of the Board of Directors.

(c) *Appointment of Officers*. Daniel Zwirn is hereby appointed Chief Executive Officer and Chief Investment Officer of the Company, Timothy Newville is hereby appointed Chief Financial Officer, and Lawrence Cutler is hereby appointed Chief Operating Officer.

(d) *Term*. Each officer of the Company shall hold office until such officer's respective successor is chosen, unless a shorter period shall have been specified by the terms of such officer's election or appointment, or in each case until such officer sooner dies, resigns, is removed or becomes disqualified. Each agent shall retain its authority at the pleasure of the Board of Directors. Any officer or agent may resign by delivering a written letter of resignation to the Board of Directors, which resignation shall, unless otherwise specified in the letter of resignation, be effective upon receipt. The Board of Directors may remove any officer or agent at any time without giving any reason for such removal and no officer or agent shall be entitled to any damages by virtue of such removal from office or position as agent; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Designation of an officer shall not of itself create contract rights or rights to employment.

Section 2.18.Certain Matters Requiring BP and CC Consent.

(a) The Board of Directors shall not approve, and the Company and its Subsidiaries shall not take any of the following actions, without the written consent of each of BP and, for so long as CC is entitled to designate a director to the board of directors of The Westaim Corporation, CC:

(i) Issue any equity interests in or rights to acquire equity interests in the Company or its Subsidiaries that would adversely affect the Interests held by BP or CC;

(ii) Redeem or repurchase or make any distributions or payments in respect of, any membership interests, or other equity interests or rights to acquire

equity interests in the Company or any of its Subsidiaries, other than Distributions in accordance with Article IV and redemptions in accordance with Section 7.03;

(iii) Liquidate or dissolve the Company or any of its Subsidiaries;

(iv) Acquire or dispose of assets of the Company or any Subsidiary other than in the ordinary course or business other than in connection with a Monetization Event in accordance with Section 7.01;

(v) Initiate any merger or consolidation, or sale of all or substantially all of the assets of the Company or any of its Subsidiaries other than a Monetization Event in accordance with Section 7.01;

(vi) Increase or reduce the authorized number of members of the Board of Directors;

(vii) Amend the governing documents of the Company or any of its Subsidiaries, including this Agreement;

(viii) Amend, waive any provision of, or terminate the Sub-Advisory Agreement;

(ix) Enter into, or make a material change to, any agreement or transaction with any related party, provided that such written consent shall not be unreasonably withheld or delayed in respect of any such agreement or transaction to fund the operations of The Westaim Corporation in the ordinary course of business or to pay for services provided by The Westaim Corporation on arms' length terms;

(x) Enter a new line of business or modify the primary line of business of the Company, in each case, other than in connection with executing the existing insurance strategy of the Company as of the date of this Agreement;

(xi) Change or convert from a limited liability company to any other or different form or organization;

(xii) Change the state of the Company's organization;

(xiii) Change, or take any action that would result in a change of, the tax classification (i.e., as a partnership or a corporation) of the Company (or any successor of the Company) or any material Subsidiary for U.S. federal (or applicable state or local) tax purposes; and

(xiv) Voluntarily take any action that would cause the Company to become an Insolvent Person.

(b) The Board of Directors shall not approve, and the Company and its Subsidiaries shall not take any of the following actions, without the approval of a majority of the

independent directors of the board of directors of The Westaim Corporation who were not nominated by CC:

(i) Issue any equity interests in or rights to acquire equity interests in the Company or its Subsidiaries;

(ii) Redeem or repurchase or make any distributions or payments in respect of, any membership interests, or other equity interests or rights to acquire equity interests in the Company or any of its Subsidiaries, other than Distributions in accordance with Article IV and redemptions in accordance with Section 7.03;

(iii) Liquidate or dissolve the Company or any of its Subsidiaries;

(iv) Acquire or dispose of assets of the Company or any Subsidiary other than in the ordinary course or business other than in connection with a Monetization Event in accordance with Section 7.01;

(v) Initiate any merger or consolidation, or sale of all or substantially all of the assets of the Company or any of its Subsidiaries other than a Monetization Event in accordance with Section 7.01;

(vi) Increase or reduce the authorized number of members of the Board of Directors;

(vii) Amend the governing documents of the Company or any of its Subsidiaries, including this Agreement;

(viii) Enter into, or make a material change to, any agreement or transaction with any Member, Director or any of their respective Affiliates or any other related party or in which any such related party has a direct or indirect material interest (including any agreement or transaction with respect to any investment funds, vehicles or accounts managed or serviced by the Company or any of its Subsidiaries or any assets thereof, but not including any agreement or transaction related to employment);

(ix) Change or convert from a limited liability company to any other or different form or organization;

(x) Change, or take any action that would result in a change of, the tax classification (i.e., as a partnership or a corporation) of the Company (or any successor of the Company) or any material Subsidiary for U.S. federal (or applicable state or local) tax purposes; and

(xi) Voluntarily take any action that would cause the Company to become an Insolvent Person.

Section 2.19. Annual Budget. The Board of Directors and the officers of the Company will conduct the business of the Company in accordance with a budget for each Fiscal

Year (the "Annual Budget"). The officers of the Company will prepare the Annual Budget for each succeeding Fiscal Year and submit such Annual Budget to the Board of Directors not less than sixty (60) days prior to the start of such Fiscal Year, and the Annual Budget as so proposed will be subject to the approval of and adoption by the Board of Directors. If the Board of Directors does not approve and adopt an Annual Budget within sixty (60) days of the first day of such Fiscal Year, the Company, until such approval is obtained, will continue to operate during such Fiscal Year based on the Annual Budget for the immediately preceding Fiscal Year, with spending levels determined by the Chief Executive Officer not to exceed 110% of the levels contained in the Annual Budget (for each individual line item and in the aggregate) for the immediately preceding Fiscal Year; provided that any extraordinary (or non-recurring) items that were contained in the Annual Budget for the preceding Fiscal Year shall be excluded from such calculations. Any material modifications to the Annual Budget shall be notified to the Board of Directors on a quarterly basis.

Section 2.20. Bank Accounts. The Company will maintain the funds of the Company in one or more separate bank accounts in the name of the Company and will not permit funds of the Company to be commingled in any fashion with the funds of any other Person.

Section 2.21. Subsidiaries. The Company shall not form any Subsidiary or acquire any Subsidiary (i) without the approval of the Board of Directors and (ii) unless the Subsidiary is managed to ensure that the Board of Directors has the ability to approve all matters on behalf of the Subsidiary which would require their approval with respect to the Company; provided, however, that the directors of the Company's Subsidiaries (excluding, for the avoidance of doubt, the Funds), shall be appointed and/or removed by the vote of the majority of the Board of Directors.

ARTICLE III

CAPITAL CONTRIBUTIONS, MEMBER LOANS, EQUITY PERCENTAGES AND NET PROFIT SHARES

Section 3.01. Capital Contributions; Loans.

(a) The initial capital contribution of each Member to the Company is set forth in the books and records of the Company.[2]

(b) The Members may make additional Capital Contributions to the Company at such times and in such amounts as may be agreed by WCA; provided, however, that no Member shall be required to make any Capital Contribution without such Member's consent. The Members shall not have any obligation to the Company or to any other Members to restore any negative balance in the Capital Account of such Members. No interest shall be paid by the Company on any Capital Contribution or its Capital Account.

(c) A Member may, with the consent of the Board of Directors and subject to Section 2.18, make a loan to the Company and any such loans shall not be considered Capital Contributions to the Company. If any Member shall loan funds to the Company, then the making of such loans shall not result in any increase in the Capital Account balance of such Member. The

[2] **Note to Draft**: To schedule initial capital contributions as of closing.

amount of any such loans shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such loans are made.

Section 3.02. Equity Percentages and Net Profit Shares.

(a) Equity Percentage. The Equity Percentage of WCA will be 100%. The Equity Percentage of each of CC and BP will be zero.

(b) Net Profit Share. WCA and CC will be entitled to 89.09% and 10.91%, respectively of Adjusted Net Profits (such respective amounts, the "Adjusted Net Profit Shares") and BP will be entitled to the BP Net Profit Share. The Adjusted Net Profit Shares and the BP Net Profit Share shall collectively be referred to as the "Net Profit Shares."

(c) If any adjustment to the Equity Percentage, the Adjusted Net Profit Shares or the BP Net Profit Share is made pursuant to or in accordance with this Agreement, such adjustments shall be reflected on Schedule A hereto.

(d) If any Member Transfers any of its Interests in accordance with the terms hereunder, the Net Profit Shares or Equity Percentages set forth in this Section 3.02 (or other economic entitlements under this Agreement) shall apply to such Member and its Permitted Transferee so that the aggregate Net Profit Share or Equity Percentage (or other economic entitlements under this Agreement), as applicable, of such Member and its Permitted Transferee equals that which would have applied to such Member had no Transfer occurred.

Section 3.03. Additional BP Members. From time to time, with the consent of the Board of Directors, the Company may hire one or more additional executive level employees who may become BP Members. In connection with such admission in accordance with the terms of the BP LLCA, the aggregate Minimum BP Distributions may be increased to reflect any Minimum Distribution (as defined in the BP LLCA) allocated to such new BP Member in the BP LLCA with respect to such BP Member; provided, that, the admission of any such person to BP shall not adversely affect Daniel Zwirn or Lawrence Cutler without BP's consent; provided, further, that the Board of Directors must approve any such Minimum Distribution allocated to such new BP Member in the BP LLCA. The admission of such executive as a BP Member will not otherwise affect the BP Net Profit Share.

ARTICLE IV

CAPITAL ACCOUNTS, ALLOCATIONS AND DISTRIBUTIONS

Section 4.01. Capital Accounts; Allocations.

(a) The income, gains, losses, deductions and credits of the Company shall be allocated for U.S. federal, state and local income tax purposes among the Members so as to (i) conform, as determined by the Board of Directors, in its sole discretion and in consultation with the Company's tax adviser, with the provisions of Section 704 of the Code and applicable Treasury Regulations, including to take into account that Tax Distributions are treated as advances on future Distributions, and (ii) give economic effect to the provisions of Section 4.03, Section 8.02, Section 8.03 and the other relevant provisions of this Agreement. Unless otherwise set forth in this

Agreement (including pursuant to the remainder of this Section 4.01 and Section 7.03), the Board of Directors, in consultation with the Company's tax adviser, is authorized to determine the tax treatment of the rights to Distributions (and related allocations) and with respect to the redemption or other acquisition by the Company from a Member of an Interest, including pursuant to Code Section 736, as applicable. If any Member that unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) has an Adjusted Capital Account Deficit (as defined below) as at the end of any Fiscal Year, computed after the application of any other provision of this Section 4.01, then items of Company income and gain for such Fiscal Year shall be allocated to such Member in proportion to, and to the extent of, such Adjusted Capital Account Deficit. The foregoing sentence is intended to be a "qualified income offset" provision as described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied in a manner consistent therewith. "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as at the end of the relevant Fiscal Year, after giving effect to the following adjustments: (i) credit to such Capital Account any amounts that such Member is obligated to restore pursuant to any provision of this Agreement or is deemed obligated to restore pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) or the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and (ii) debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied in a manner consistently therewith. The Board of Directors, in consultation with the Company's tax adviser, is authorized to interpret and apply the tax allocation provisions hereof as providing for a "minimum gain chargeback" and such other allocation principles as may be required under Section 704 of the Code and applicable Treasury Regulations.

(b) A capital account (a "Capital Account") shall be maintained (and adjusted) for each Member in accordance with such Member's economic entitlements hereunder in a manner intended to be consistent with Section 704 of the Code and regulations thereunder, all as determined by the Board of Directors in its reasonable discretion. Unless otherwise contemplated by this Agreement (including the remainder of this Section 4.01), any elections or other decisions relating to tax matters, including the maintenance and adjustment of the Capital Accounts and the allocations of income, gains, losses, deductions and credits of the Company shall be made by the Board of Directors in its reasonable discretion; provided, that, the Company shall use the "traditional method" for purposes of determining any allocations pursuant to Code Section 704(c). The Company currently has in effect the election described in Code Section 754. No Member shall be required to pay to the Company or to any other Member or Person any deficit in such Member's Capital Account upon dissolution of the Company or otherwise, nor shall any such deficit be considered an asset of the Company.

(c) The parties agree that the execution of this Agreement is intended to be treated, for U.S. federal and applicable state and local tax income tax purposes, as a recapitalization of the Company, and is not intended to result in any "guaranteed payments" or taxable capital shifts to any Member for U.S. federal and applicable state and local income tax purposes. In connection with the transactions contemplated by this Agreement (which the parties agree constitute one or more of the events described in Treasury Regulations Section 1.704-1(b)(2)(iv)(f)(5)), the parties agree that the Company shall revalue the Company's property pursuant to Treasury Regulations Section 1.704-

1(b)(2)(iv)(f) immediately before such recapitalization, and in connection therewith, the beginning Capital Account balance of BP shall be $33,750,000, the beginning Capital Account balance of the CC shall be $0, and the beginning Capital Account balance of WCA shall be $59,127,551 (each such Capital Account balance, with respect the applicable Member, such Member's "Initial Capital Account Balance").

(d) The parties agree that, other in connection with distributions of BP Member Redemption Consideration, which are covered by the subsequent sentence, except to the extent otherwise required by a change in applicable law, (A) to the extent attributable to Net Profit Proceeds, the Company's income, gain, loss, deduction and credit shall be allocable amongst the Members *pro rata* based on their respective Adjusted Net Profit Shares, in the case of WCA and CC, and the BP Net Profit Share, in the case of BP, and (B) the Annual Distributions (excluding, for the avoidance of doubt, any distribution of BP Member Redemption Consideration upon a BP Member Redemption Event) shall be reported as a guaranteed payment for services within the meaning of Section 707(c) of the Code, and (C) any other distributions to BP shall be reported, to the maximum extent possible, as a distribution of Net Profit Share, to the extent income and gain attributable to such Net Profit Share and allocated to BP is at least equal to such distribution, and thereafter as a "guaranteed payment" for services within the meaning of Section 707 of the Code. Notwithstanding the foregoing sentence, upon the occurrence of a BP Member Redemption Event, the Company shall revalue the Company's property pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) if doing so would result in BP having a Capital Account balance that is greater than $33,750,000, and, except to the extent otherwise required by a change in applicable law, all payments of the BP Member Redemption Consideration (up to the balance of BP's Capital Account) shall be treated as a distribution from the Company to BP described under Section 731 of the Code (or, if applicable, 736(b)(1) of the Code) and shall not represent a share of Company income or gain (or any guaranteed payment or taxable capital shift to BP). The Company and the Members shall, and shall cause their Affiliates to, file all tax returns and take all tax positions in a manner consistent with the foregoing treatment (unless otherwise required by a final determination within the meaning of Section 1313(a) of the Code).

(e) Notwithstanding anything to the contrary herein, without BP's prior consent, the Company shall not book-down or otherwise elect to reduce BP's Capital Account balance below BP's Initial Capital Account balance (except to the extent such reduction is caused by a distribution to BP).

(f) Within 30 days of the date hereof, each of BP and CC shall file, or cause to be filed, an election under Section 83(b) of the Code with respect to their interests in the Company, and a copy of such filings shall be provided to the Company.

Section 4.02. Tax Distributions. The Company shall distribute to each Member on a quarterly basis on or prior to the 10th (or next succeeding business day) of each of March, June, September and December of each Fiscal Year or more frequently (or such other dates as determined by the Board of Directors to be appropriate in light of tax payment requirements), an amount (each a "Tax Distribution") in cash equal to the excess, if any, of (i) such Member's Cumulative Tax Liability over (ii) the cumulative amounts previously distributed to such Member pursuant to this Section 4.02 and Section 4.03. Tax Distributions shall be treated as an advance on any future Distributions (but not future Tax Distributions) and shall be offset against the amount

of succeeding Distributions (but not succeeding Tax Distributions) under this Agreement. For purposes of computing a Member's Tax Distribution under this Section 4.02, salaries, bonuses, and any other payments in the nature of compensation (and paid in cash) shall not be taken into account, other than as an expense of the Company and such payments shall not be reduced by reason of any Tax Distribution. For purposes of this paragraph, a "Member's Cumulative Tax Liability" means, with respect to a Member and with respect to all fiscal periods beginning as of the date hereof and ending on the last day of the most recent fiscal period (or, if applicable, of the current fiscal period), the product of (i) the cumulative excess of taxable income over taxable losses of the Company (taking into account such losses only to the extent usable by such Member against such income, assuming such Member had no assets other than its interest in the Company and no income or losses other than those with respect to the Company) allocated to such Member (including in connection with a guaranteed payment (except to the extent relating to cash payments in the nature of compensation) or taxable capital shifts) pursuant to this Agreement (without taking into account any income or gain of a Member arising from the Company redeeming or otherwise acquiring an Interest from such Member) and (ii) the Deemed Tax Rate (provided, however, that the Company shall make appropriate adjustments to Tax Distributions to account for changes in the Deemed Tax Rate). If the income allocated to a Member is adjusted on audit and there is a final determination that the Member's share of the Company's taxable income with respect to its Interests for a particular year is less than the amount initially allocated to such Member by the Company with respect to its Interests and such change would adjust such Member's Cumulative Tax Liability, the Company shall deduct from such Member's Tax Distribution for the then fiscal quarter (and to the extent necessary, subsequent fiscal quarters until such aggregate excess amount is fully deducted) an aggregate amount equal to the Deemed Tax Rate multiplied by the decrease in taxable income allocated to the Member with respect to its Interest. Solely to the extent an election is made with respect to the Company under Section 6226(a) of the Code (or any similar or corresponding provision of state or local law, including pursuant to any law that requires such tax liabilities to be paid at the partner level absent an affirmative election), if the income allocated to a Member is adjusted on audit and there is a final determination that the Member's share of the Company's taxable income with respect to its Interest for a particular year is greater than the amount initially allocated to such Member by the Company with respect to its Interest and such change would adjust such Member's Cumulative Tax Liability, the Company shall increase such Member's Tax Distribution for the then fiscal quarter by an aggregate amount equal to the Deemed Tax Rate multiplied by the increase in taxable income allocated to the Member with respect to its Interest. If an Interest is Transferred, Tax Distributions for the calendar quarter in which the Transfer occurred shall be apportioned between the transferor and the transferee(s) in accordance with the Company's taxable income or loss during the applicable period of ownership (unless otherwise determined by the transferor and the transferee(s)). Unless the Board of Directors determines in good faith that a possible Tax Distribution referred to in this Section 4.02 would be prohibited under the Act or any law, statute, rule, or regulation applicable to or binding on the Company or any of its subsidiaries, the Company shall make Tax Distributions to the Members entitled thereto not later than the date specified in this Section 4.02, and in the event that a contractual obligation prohibits the Company from making a Tax Distribution, the Company shall cause a Distribution of such portion, if any, of such Tax Distribution that is not so prohibited to be made in accordance with the priorities set forth in Section 4.03 with which the underlying income and loss allocations giving rise to the Tax Distribution correspond (and to the extent corresponding to the same priority pursuant to Section 4.03, pro rata to Members based on the portions of the Tax

Distribution otherwise payable that such Members would receive). Any determination of the amount of a Tax Distribution made by the Board of Directors pursuant to this Section 4.02 shall be conclusive and binding on all Members.

Section 4.03. Distributions.

(a) Subject to Section 2.18, Section 4.02 and Section 8.03, the Board of Directors shall cause the Company to make Distributions contemplated by this Section 4.03. Other than Tax Distributions, Annual Distributions, any payment of the Finco Bonus, and distribution of Net Profit Proceeds (each of which shall be paid as and when required pursuant to the terms of this Agreement), no Distributions shall be made without the Unanimous Consent of the Board of Directors.

(b) Prior to the liquidation and winding up of the Company in accordance with Section 8.03 the Company shall make the following Distributions (other than Distributions of Monetization Event Proceeds) in the amounts and at the times described below:

(i) an amount equal to the Finco Bonus will be paid to BP upon the occurrence of the conditions set forth in [X];

(ii) the Annual Distributions shall be paid to BP in equal monthly installments, and

(iii) all Net Profit Proceeds shall be paid to the Members *pro rata* based on their respective Adjusted Net Profit Shares, in the case of WCA and CC, and the BP Net Profit Share, in the case of BP.

Distributions pursuant to clause (iii) consisting of Net Profit Proceeds shall be made on a quarterly basis of all cash or other assets (to the extent provided for in Section 4.03(d) below) of the Company (taking such asset into account at their Fair Market Value at the time of distribution) subject to the retention and establishment of reserves of, or payment to third parties of, such funds as determined by the Board of Directors are necessary with respect to the reasonable needs of the Company, which shall include the payment or the making of provision for payment when due of the Company's obligations.

(c) Prior to the liquidation and winding up of the Company in accordance with Section 8.03, all Distributions of Monetization Event Proceeds shall be made to the Members pro rata in accordance with their Equity Percentages.

(d) The Board of Directors may determine to distribute assets of the Company in kind. If cash and property are to be distributed in kind simultaneously, the Company shall use reasonable efforts to distribute such cash and property in kind in the same proportion to each Member to the extent practicable, to take into account the rounding of odd lots, restrictions on transfer and other operational or legal issues. For purposes of determining amounts distributable to the respective Members under Section 4.03(b), any property to be distributed in kind shall have the value assigned to such property by the Board of Directors, and the amount of income or loss that would have been realized had such assets been sold at their fair market value shall be allocated to the Capital Accounts of the Members pursuant to Section 4.03 or Section 8.02, as appropriate, immediately prior to such Distribution.

Section 4.04. Withholding. The Members hereby authorize the Company to withhold or pay over to the applicable governmental entity any withholding or other taxes which the Company is required by U.S. federal, state, local or non-U.S. law to withhold or pay (including in connection with an "imputed underpayment" assessed on the Company in connection with an audit thereof) and shall charge such amounts to those Members with respect to which such amounts were withheld or paid; provided, that, the Company shall notify a Member in writing prior to, or as soon as practicable thereafter, withholding or paying any amounts as a result of the Member's status as a Member hereunder. All amounts so withheld or paid with respect to a Member (or withheld by an entity in which the Company has directly or indirectly invested and that is chargeable, in the reasonable discretion of the Board of Directors, to such Member) shall be treated as amounts distributed to such Member, and the Board of Directors shall reasonably determine pursuant to which subsection of this Article IV such deemed Distribution relates. If, as of any determination date, any such tax liability with respect to any Member pursuant to this Section 4.04 exceeds the amount then-currently distributable to such Member under this Agreement, or if any such tax liability was not satisfied with respect to any item previously allocated, paid or distributed to such Member, such Member or any successor or assignee with respect to such Member's interest hereby indemnifies and agrees to hold harmless the Board of Directors, the other Members and the Company for such excess amount or such amount required to be withheld, as the case may be, together with any applicable interest, additions or penalties thereon. This Section 4.04 shall survive the dissolution, winding-up and termination of the Company and, with respect to any Member, such Member ceasing to be a Member of the Company.

ARTICLE V

ADMISSION OF NEW MEMBERS

Section 5.01. New Members. The Company, with the approval of the Board of Directors may at any time admit one or more new Members, subject to the condition that each such new Member shall execute (a) an appropriate supplement to this Agreement pursuant to which it agrees to be bound by the terms and provisions hereof and (b) such other documents or instruments as may be necessary or appropriate to effect such Person's admission as a Member. Such admission will become effective on the date on which the Board of Directors determines in its sole discretion that such conditions have been satisfied and when any such admission is shown on the books and records of the Company. The name and residence address of each new Member admitted to the Company under this Section 5.01 shall be reflected in the books and records of the Company as of the effective date of its admission.

Section 5.02. Substituted Members. In connection with the Transfer of an Interest of a Member permitted under the terms of this Agreement, the transferee will be admitted as a substitute Member on the later of (i) the effective date of such Transfer, (ii) the date on which the Board of Directors approves such transferee as a substituted Member, and such admission shall be shown on the books and records of the Company and (iii) the satisfaction or waiver of the conditions to Transfer set forth in Section 1.07(d); provided, however, that in connection with the Transfer of an Interest of a Member permitted under the terms of this Agreement to a Permitted Transferee, the transferee shall become a substituted Member on the later of (x) the effective date of such Transfer or (y) the satisfaction or waiver of the conditions to Transfer set forth in Section 1.07(d). Unless and until a transferee is admitted to the Company as a substituted Member, such

transferee shall not be entitled to exercise any of the rights provided to a Member under this Agreement or the Act.

ARTICLE VI

WITHDRAWAL OF MEMBERS

Section 6.01. Voluntary Withdrawal. So long as a Member continues to hold any Interest, the Member may not voluntarily withdraw from the Company or otherwise cease to be a Member without the consent of the Board of Directors.

ARTICLE VII

TAG RIGHTS, INITIAL PUBLIC OFFERING AND BP MEMBER REDEMPTION EVENT

Section 7.01. Monetization Events. WCA may, at any time, elect to consummate a Monetization Event without the consent of any other Member, but only to the extent (a) holders of the Equity Percentages receive Monetization Event Proceeds, (b) the Interests of BP, including any economic entitlements and other rights of BP pursuant to this Agreement are not adversely affected or impaired as a result of such Monetization Event and = (c) the Interests of CC, including any economic entitlements and other rights of CC pursuant to this Agreement, are not adversely affected or impaired as a result of such Monetization Event. Each Member hereby consents to any such Monetization Event that complies with the foregoing sentence and will vote for and raise no objections against such Monetization Event, and each Member shall take all reasonably necessary actions, including actions as representatives of the Board of Directors, in connection with the consummation of such Monetization Event as reasonably requested by WCA.

Section 7.02. Cooperation - Initial Public Offering.

(a) The Board of Directors may approve an initial Public Offering of the Company or any of its Subsidiaries, without the consent of any other Member but only to the extent the Interests of BP and CC, including any economic entitlements and other rights (including, for the avoidance of doubt, the tax treatment of such economic entitlements to BP and CC (and their beneficial owners)) of BP and CC pursuant to this Agreement are not adversely affected or impaired as a result of such initial Public Offering. Each Member hereby consents to such Public Offering that complies with this Section 7.02 and will vote for and raise no objections against such Public Offering, and each Member shall take all reasonably necessary actions in connection with the consummation of such Public Offering as reasonably requested by the Board of Directors.

(b) In connection with a Public Offering of the Company approved by the Board of Directors, the Company shall, at the request of the underwriter and subject to Section 7.02(c), effect a conversion or other restructuring to corporate form and each Member hereby consents to such conversion or other restructuring and (to the extent entitled to vote thereon) shall vote for and raise no objections against such conversion, and each Member shall, at the request of the Board of Directors, take all actions reasonably necessary or desirable to effect such conversion (including, without limitation, a conversion or contribution of the Interests to a subchapter C corporation, a merger or consolidation into any successor corporate entity, a recapitalization or reorganization, sale

of securities or otherwise), giving effect to the same economic, voting and corporate governance provisions contained herein (a "Corporate Conversion"). In connection with the Corporate Conversion of the Company, each holder of an Interest will be entitled to receive a percentage of the shares of common stock of the corporate successor outstanding immediately following the Corporate Conversion equal to the percentage that such Member would have received of the total amount distributed to all Members had the Company liquidated and distributed such common stock in accordance with Section 8.03 on the day of the Corporate Conversion. In connection with such Corporate Conversion of the Company, if requested by the Board of Directors each Member hereby agrees to enter into a stockholders agreement with the corporate successor and each other Member which contains restrictions on the Transfer of such capital stock and other provisions (including, without limitation, with respect to the governance and control of such corporate successor) in form and substance similar to the provisions and restrictions set forth herein.

(c) Notwithstanding anything in this Agreement to the contrary, any Corporate Conversion (or similar transaction) under this Agreement will be done to the maximum extent reasonably possible in a manner that is tax-deferred from a U.S. federal income tax perspective (including by structuring the transaction to qualify under Section 351(a) or 721(a) of the Code) and preserves each Member's U.S. federal income tax basis and holding period with respect to its equity interests in the Company or its successor, including by (i) undertaking the Corporate Conversion pursuant to an "interests over" transaction described in Revenue Ruling 84-111, 1984-2 C.B. 88, or (ii) implementing an "UP-C" or similar structure.]

Section 7.03. BP Member Redemption Event.

(a) If a BP Member Redemption Event occurs with respect to a BP Member (a "BP Redeemed Member"), the Company shall redeem a portion of the Interest of BP attributable to such BP Redeemed Member for the BP Member Redemption Consideration. The portion of the Interest of BP to be redeemed will be determined based on the BP Redeemed Member's relative rights to receive Annual Distributions, Minimum BP Distributions and BP Net Profit Share in accordance with the BP LLCA as of the date hereof or as may be further updated following the date hereof with the consent of the Board of Directors of the Company. If Daniel Zwirn is the sole member of BP at the time of the BP Member Redemption Event, the Company will redeem all of the Interest of BP in the Company.

(b) [Intentionally omitted.]

(c) In the event Daniel Zwirn is the BP Redeemed Member, the payment of the BP Member Redemption Consideration will not otherwise affect the Distributions pursuant to this Agreement in respect of the BP Net Profit Share, as adjusted to reflect the BP Net Profit Percentage after giving effect to the BP Member Redemption Event. In the event the BP Redeemed Member is a BP Member other than Daniel Zwirn, the payment of the BP Member Redemption Consideration will reduce on a dollar for dollar basis, all amounts that would otherwise be distributed in respect of the BP Net Profit Share; provided, however, that if the BP Member Redemption Consideration payable to such BP Redeemed Member during any fiscal period exceeds the aggregate Distributions paid in respect of the aggregate BP Net Profit Share in such fiscal period, then any such excess shall be paid in future fiscal periods to the extent such payments will not exceed the aggregate BP Net Profit Share in such future fiscal period. For the avoidance of doubt, BP will remain a Member of

the Company until a BP Member Redemption Event has occurred with respect to all BP Members and all BP Member Redemption Consideration has been paid to all BP Redeemed Members in accordance with this Agreement.

ARTICLE VIII

DURATION AND TERMINATION OF THE COMPANY

Section 8.01. Duration of Company. The Company shall continue to operate until the earlier of the following dates: (i) any date as of which the Board of Directors by Unanimous Consent shall determine to dissolve the Company or (iii) the effective date of a decree of judicial dissolution under the Act. Except as set forth in this paragraph, no other event, including the death, retirement, withdrawal, resignation, expulsion, bankruptcy, insolvency, dissolution, liquidation, incapacity or adjudication of incompetency of a Member, or the occurrence of any other event that terminates the continued membership of a Member in the Company, will cause a dissolution of the Company.

Section 8.02. Winding Up. Upon the occurrence of an event described in Section 8.01, the Company will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying or making reasonable provision for the satisfaction of the claims of its creditors and Members, and no Member or Director will take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs; provided, however, that all covenants contained in this Agreement and obligations provided for in this Agreement will continue to be fully binding upon the Members until such time as the assets or property or the proceeds from the sale thereof have been distributed pursuant to this Article 8 and the Company has terminated. The Board of Directors will be responsible for overseeing the winding up and dissolution of the Company. The Board of Directors may appoint a liquidating trustee to manage the liquidation and winding up of the Company. Any expenses of such liquidating trustee will be paid from the assets of the Company before the Distribution of any proceeds to the Members, and such liquidating trustee shall be entitled to exculpation and indemnification as if it were a Director pursuant to Section 2.13 and Section 2.15. The Board of Directors will take full account of the Company's assets and liabilities, and the Company's affairs will be wound up in an orderly manner in accordance with the following procedures:

(a) to the extent that the Board of Directors (or the liquidating trustee) determines that any or all of the assets of the Company will be sold, such assets will be sold as promptly as possible, but in a business-like manner so as not to involve undue sacrifice; and

(b) the Capital Account of each Member will be adjusted to take into account the income, profit, gain, losses, deductions and credits resulting from the sale of any of the Company's assets and all other transactions in connection with the winding up of the Company so as to allow for the Distribution of the remaining assets in accordance with the priorities set forth in Section 8.03.

Section 8.03. Distribution upon Dissolution of the Company. From and after the occurrence of an event described in Section 8.01, the Company's assets or the proceeds from the sale thereof will be applied and distributed to the maximum extent permitted by law, in the following order:

(a) first, to the satisfaction (whether by payment or by the making of reasonable provision for payment) of all of the Company's debts and liabilities (including Member loans), in accordance with the Act and any unpaid amounts pursuant to clauses (i) and (ii) of Section 4.03(b); and

(b) next, to the Members, pro rata in accordance with their respective Adjusted Net Profit Shares, in the case of WCA and CC, and the BP Net Profit Share, in the case of BP, until each Member's Undistributed Net Profit is reduced to zero; and

(c) the balance, if any, (A) first, to BP until it has received an amount equal to the aggregate BP Member Redemption Consideration (calculated as if a BP Member Redemption Event occurred with respect to all BP Members), and (B) thereafter, to the Members pro rata in accordance with their Equity Percentages, provided, however, that no Member shall be distributed amounts pursuant to this clause (B) at any time on or prior to an Equity Adjustment Date in a greater percentage than such Member's share as of such Equity Adjustment Date.

ARTICLE IX

TAX RETURNS; REPORTS TO MEMBERS

Section 9.01. Filing of Tax Returns. The Board of Directors (or its designated agent), at the Company's expense, shall prepare and timely file, or cause the accountants of the Company to prepare and timely file, a U.S. federal information tax return in compliance with Section 6031 of the Code and any required non-U.S., state and local income tax and information returns for each tax year of the Company.

Section 9.02. Reports to Members and BP Members.

(a) The Company will deliver or cause to be delivered to each Member and each BP Member (including each BP Redeemed Member until all BP Member Redemption Consideration has been paid in full):

(i) unaudited quarterly financial statements (including balance sheets and statements of income and cash flows), as approved by the Board of Directors, for the period commencing at the end of the previous Fiscal Year and ending with the end of the current fiscal quarter, within thirty (30) days after the end of such fiscal quarter, duly certified by the Company;

(ii) audited annual financial statements (including balance sheets and statements of income and cash flows), as approved by the Board of Directors, for the current Fiscal Year and a statement of any changes in financial position of the Company for such Fiscal Year, which the Company shall use its best efforts to provide within seventy-five (75) days (but in any event not more than 90 days) of the end of such Fiscal Year;

(iii) a statement of changes in each Member's Equity Percentage and Net Profit Shares, Undistributed Net Profits and in each Member's Capital

Account balance for the current Fiscal Year, within 75 days after the end of each Fiscal Year; and

(iv) any other information as may be reasonably requested by a Member.

Notwithstanding the foregoing, at any time and from time to time the Company will deliver or cause to be delivered to each Member any information which such Member or any of its Affiliates reasonably believes to be required to comply with any securities laws or securities listing standards applicable to such Member or any of its Affiliates.

(b) Within ninety (90) days after the end of each Fiscal Year, or as soon thereafter as is practicable, the Company shall use commercially reasonable efforts to prepare and mail, or to cause its accountants to prepare and mail, to each Member and, to the extent necessary, to each BP Member (or its legal representative), a Schedule K-1 and such other information as shall enable such Member or BP Member (or its legal representative) to prepare its federal, state and local tax returns in accordance with the laws, rules and regulations then prevailing. The Company shall provide any information reasonably requested by a Member to allow such Member (or its beneficial owners) to comply with their own tax planning, reporting, payment or filing obligations, including, without limitation, any information requested by a Member in connection with any Foreign Bank and Financial Accounts (FBAR) related reporting obligations or estimated tax payments of such Member or any of its direct or indirect beneficial owners.

Section 9.03. Partnership Representative.

(a) WCA shall be entitled to designate the "partnership representative" of the Company within the meaning of Section 6223 of the Code (the "Partnership Representative"). For each Fiscal Year in which the Partnership Representative is not an individual, the Company shall appoint the "designated individual" identified by the Partnership Representative to act on behalf of the Partnership Representative (the "Designated Individual") in accordance with the applicable Treasury Regulations. In the event the Company shall be the subject of an income tax audit by any U.S. federal, state or local or non-U.S. tax authority, to the extent the Company is required to appoint a "partnership representative" or similar agent for purposes of such audit, including administrative settlement and judicial review, the Partnership Representative shall be authorized to act for and its decision shall be final and binding upon, the Company and each Member thereof, *provided*, that the Partnership Representative and the Designated Individual shall in all respects act solely in accordance with the instructions of the Board of Directors and the provisions of this Section 9.03. All expenses incurred in connection with any such audit, investigation, settlement or review shall be borne by the Company; *provided*, that if the Partnership Representative or Designated Individual incurs any expenses in connection with tax matters not affecting all of the Members, then the Company shall charge such expenses and costs to those Members on whose behalf such fees and expenses were incurred. The Partnership Representative shall keep all Members and the Board of Directors informed of all notices from government taxing authorities which may come to the attention of the Partnership Representative. Each Member agrees that, upon request of the Company, such Member shall take such actions as may be necessary or desirable (as determined by the Board of Directors) to (i) allow the Company to comply with the provisions of Section 6226 of the Partnership Audit Rules so that any "partnership adjustments" (as defined in Section 6241(2) of the

Partnership Audit Rules) are taken into account and paid by the Members and former Members rather than the Company;; or (ii) otherwise allow the Company and its Members to address and respond to any matters arising under the Partnership Audit Rules. No Member shall be required to file an amended tax return pursuant to Section 6225(c)(2)(A) of the Code. The costs and expenses incurred by a Member in connection with this Section 8.4(c) shall not be treated as Company expenses or their payment as Capital Contributions.

(b) The Partnership Representative shall use its commercially reasonable efforts to apply the rules and elections under the Partnership Audit Rules in a manner that minimizes the likelihood that any Member would bear any material tax, interest or penalties as a result of any audit or proceeding that is attributable to another Member (other than a predecessor in interest). The Partnership Representative is hereby authorized to take any action reasonably required to cause the financial burden of any "imputed underpayment" (as determined under Section 6225 of the Code) and associated interest, adjustments to tax and penalties arising from a partnership-level adjustment that are imposed on the Company (an "Imputed Underpayment") to be borne by the Members (including, in the case of assessments under the Partnership Audit Rules or otherwise, any Person that was a Member during the Fiscal Year or other period to which such assessment relates, even if such Member is not a Member at the time the assessment is made or actually paid by the Company) to whom such Imputed Underpayment relates as reasonably determined by the Partnership Representative, and each Member hereby agrees to reasonably cooperate with the Partnership Representative in connection with such Imputed Underpayment, except that no Member shall be required to file an amended tax return pursuant to Treasury Regulations Section 301.6225-2(d)(2). Imputed Underpayments shall also include any "imputed underpayment" (as determined under Section 6225 of the Code) paid (or payable) by any entity treated as a partnership for U.S. federal income tax purposes in which the Company holds (or has held) a direct or indirect interest other than through entities treated as corporations for U.S. federal income tax purposes, to the extent that the Company bears the economic burden of such amounts, whether by law or contract. If any Imputed Underpayment is apportioned to a Member (or a former Member) under this Section 9.03(b), such Member's obligations to the Company with respect to such Imputed Underpayment and the Company's rights against such Member, shall apply jointly and severally to such Member (or former Member) and any direct or indirect transferee of or successor to such Member's interest in the Company. Each Member shall bear such Member's own costs and expenses incurred in connection with making complying with the alternative procedure in Treasury Regulations Section 301.6225-2(d)(2)(x). Each Member hereby severally indemnifies and holds the Company and the Partnership Representative harmless for such Member's respective portion of the financial burden of an Imputed Underpayment as provided in the foregoing sentences and in furtherance thereof, each Member agrees (A) to pay such amount to the Company within fifteen (15) days following the Company's request for payment and (B) that any amounts otherwise distributable to such Member may be applied in satisfaction of such obligations.

(c) The Partnership Representative shall not, without the approval of the Board of Directors:

(i) make an election under Section 6226 of the Code to require each Person who was a Member during the taxable year of the Company that was audited to personally bear any tax, interest and penalty resulting from adjustments based on such audit;

(ii) agree to extend any statute of limitations with respect to the Company;

(iii) file a request for administrative adjustment (including a request for substituted return treatment);

(iv) file a petition for judicial review, or any appeal with respect to any judicial determination;

(v) take any action to consent to, or to refuse to consent to, a settlement reflected in a decision of a court; or

(vi) enter into any tax settlement agreement affecting the Company.

Section 9.04. Code Section 83 Safe Harbor Election.

(a) By executing this Agreement, each Member authorizes and directs the Company to elect to have the "Safe Harbor" described in the Notice 2005-43 apply to any interest in the Company transferred to a service provider by the Company on or after the effective date of such Revenue Procedure in connection with services provided to the Company. For purposes of making such Safe Harbor election, BP is hereby designated as the "partner who has responsibility of U.S. Federal income tax reporting" by the Company and, accordingly, execution of such Safe Harbor election by BP constitutes execution of a "Safe Harbor Election" in accordance with Section 3.03(1) of the Notice 2005-43. The Company and each Member hereby agree to comply with all requirements of the Safe Harbor described in the Notice 2005-43, including, without limitation, the requirement that each Member prepare and file all U.S. federal income tax returns reporting the income tax effects of each Safe Harbor partnership interest issued by the Company in a manner consistent with requirements of the Notice 2005-43.

(b) A Member's obligations to comply with the requirements of this Section 9.04 shall survive such Member's ceasing to be a Member of the Company and/or the termination, dissolution, liquidation and winding up of the Company.

(c) Each Member authorizes the Board of Directors to amend this Section 9.04 to the extent necessary to achieve substantially the same tax treatment with respect to any interest in the Company transferred to a service provider by the Company in connection with services provided to the Company as set forth in Section 4 of the Notice 2005-43 (e.g., to reflect changes from the rules set forth in the Notice 2005-43 in subsequent Internal Revenue Service guidance); provided, however, that, without the consent of the affected Member, no such amendment shall be made that would have an adverse effect on such Member as compared to the after-tax consequences to such Member if the provisions of the Notice 2005-43 applied and the Safe Harbor election were properly made.

Section 9.05. Books and Records. The Board of Directors shall cause to be kept complete and accurate books of account and records with respect to the Company's business.

Section 9.06. Refunds and Exemptions. The Board of Directors shall use reasonable efforts to (i) obtain any exemption or refund available from withholding and other taxes

imposed by any non-U.S. taxing authority with respect to amounts received by the Company or distributable by the Company to the Members ("Withholding Taxes"), (ii) notify the Members of the amount of any Withholding Taxes imposed and (iii) file any forms or applications necessary to obtain any available exemption or refund of Withholding Taxes, to the extent that the Company is required to make such filing under applicable law in order for such exemption or refund to be obtained. The Members shall reimburse the Company for reasonable out-of-pocket expenses incurred at their request in connection with any action taken by the Board of Directors on behalf of the Members under this Section 9.06.

Section 9.07. Taxation as Partnership. The Members intend that the Company be classified as a partnership for U.S. federal, state and local tax purposes, and the Members shall cooperate with the Company in connection therewith and hereby authorize the Board of Directors to take whatever actions and execute whatever documents are necessary or appropriate to effectuate the foregoing, including any actions necessary to prevent the Company from being treated as a "publicly traded partnership" taxable as a corporation for U.S. federal income tax purposes. The Board of Directors, the Members and the Partnership Representative will not make any election to treat the Company as other than a partnership for U.S. federal, state and local income tax purposes.

Section 9.08. Access to Records. Subject to the provisions of Section 2.11, the Company will permit each Member and its officers, agents and representatives, upon reasonable advance notice and during normal business hours and such other times as any such party may reasonably request, to: (a) visit and inspect any of the properties of the Company; (b) access and review the corporate books, records and financial statements of the Company and make copies thereof or extracts therefrom; and (c) discuss matters pertaining to the Company with the officers of the Company and Directors.

Section 9.09. Audits. If required by law or by WCA's independent accountants, as applicable, a Member may, at its own expense, request and obtain an audit of the Company's books by its own accountant. The Chief Executive Officer will cause the Company's officers and employees to cooperate with such Member's accountant in the execution and preparation of such audit, including providing customary certifications to such Member's accountant. The Company's independent auditor is Deloitte. If Deloitte resigns or is unable to perform the necessary audit services for the Company, the Board of Directors may select a new independent auditor. For the avoidance of doubt, the audit rights set forth in this Section 9.09 shall be in addition to the rights of each Member to receive from the Company financial statements set forth in Section 9.02.

Section 9.10. Internal Controls and Procedures. The Company will implement internal controls and procedures in order to ensure that material information relating to the Company is made known to the officers of the Company and to each Director. The officers of the Company will, in cooperation with the Members, evaluate the effectiveness of such internal controls in order to determine whether or not there exist any significant deficiencies in the design or operation that could adversely affect the Company's ability to record, process, summarize and report financial data after the date of this Agreement.

Section 9.11. Tax Consent Rights. Notwithstanding anything to the contrary in this Agreement, the Company shall not take any Tax-related action (or fail to take any Tax-related

action) that would reasonably be expected to have a disproportionate adverse impact on BP or any of the BP Members (or their beneficial owners) without the prior written consent of BP (not to be unreasonably withheld, conditioned or delayed). For purposes of this Section 9.11, a "disproportionate adverse impact on BP" shall be present (a) in connection with any actions (including any correspondence, settlement, or making or not making an election under Section 6226 of the Code (or any similar or corresponding provision of state or local law)) that relate to the tax treatment, including the allocations methodology, agreed upon by the Members in Section 4.01 of this Agreement or (b) if the adverse tax impact to BP (or any BP Member (or their beneficial owners)) is expected to be disproportionate as compared with other Members, after adjusting for the Members' general disproportionate economic entitlements under this Agreement.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendments to Limited Company Agreement. This Agreement may only be amended by a writing executed with the consent of the Board of Directors; provided, that (i) the Unanimous Consent of the Board shall be required for any amendment that disproportionately and adversely affects any of WCA, BP or CC relative to any other Member(s); (ii) no amendment shall modify any contractual rights specific to any of WCA, BP or CC, or any contractual right that references WCA, BP or CC, as applicable, by name without the prior written consent of WCA, BP or CC, as applicable, (iii) Sections 2.18(a)(xiv), 4.01, 4.02, 4.04, 7.02(c), Article IX, 10.01, and 10.14 may not be amended without BP's consent; and (iv) any amendment to this Agreement shall be subject to the approval rights set forth in Section 2.18.

Section 10.02. Choice of Law. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed under the laws of the State of Delaware, without reference to its choice of law rules, and, without limitation thereof, that the Act as now adopted or as may be hereafter amended shall govern this Agreement.

Section 10.03. Jurisdiction and Forum. Any proceeding arising out of or relating to this Agreement shall be brought in the state courts or federal courts in the state of Delaware (or if such courts decline jurisdiction, such federal or state courts that have jurisdiction in such matter) and each Member hereby expressly submits to the personal jurisdiction and venue of such courts as provided above for the purposes thereof and expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. Each party hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the address set forth or referred to in Section 10.06. This provision may be filed with any court as written evidence of the knowing and voluntary irrevocable agreement between the parties to waive any objections to venue or to convenience of forum.

Section 10.04. Survival. The terms and provisions of Section 1.06, Section 2.07, Section 2.11, Section 2.13, Section 2.15, Section 4.04, Section 9.04, Section 10.03 and Section 10.04 shall survive the termination of the Company.

Section 10.05. [Reserved].

Section 10.06. Notices. All notices and other communications under this Agreement must be in writing and are deemed duly delivered when (a) delivered if delivered personally or by nationally recognized overnight courier service (costs prepaid), (b) sent by facsimile with confirmation of transmission by the transmitting equipment (or, the first business day following such transmission if the date of transmission is not a business day or if the time of transmission is after normal business hours) or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested; in each case to the addresses or facsimile numbers and marked to the attention of the individual (by name or title) (if any) as shown in Schedule A and to the Company at its principal office (or to such other address, facsimile number or individual as a party may designate by notice to the other parties).

Section 10.07. [Reserved].

Section 10.08. Severability. The parties hereto intend that each provision hereof constitutes a separate agreement between them. Accordingly, the provisions hereof are several and in the event that any provision of this Agreement shall be deemed invalid or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions hereof shall not be affected, but shall, subject to the discretion of such court, remain in full force and effect, and any invalid or unenforceable provision shall be deemed, without further action on the part of the parties hereto, amended and limited to the extent necessary to render the same valid and enforceable.

Section 10.09. Headings. The titles of the Articles and the headings of the Sections of this Agreement are for convenience of reference only, and are not to be considered in construing the terms and provisions of this Agreement.

Section 10.10. Pronouns. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person, persons or entity may require in the context thereof.

Section 10.11. Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right it may have to maintain any act for partition with respect to the property of the Company.

Section 10.12. Assignment; Successors; No-Third Party Rights. This Agreement binds and benefits the parties and their respective heirs, executors, administrators, successors and assigns, except that no party may assign, delegate or otherwise transfer this Agreement or any of its rights or obligations under this Agreement except in connection with a Transfer conducted in accordance with Section 1.07. Nothing expressed or referred to in this Agreement will be construed to give any Person, other than the parties to this Agreement, any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement except such rights as may inure to a successor or permitted assignee under this Section 10.12.

Section 10.13. Investment Representations. The undersigned Members understand (a) that the Interests issued pursuant to this Agreement have not been registered under the Securities Act or any state securities laws (the "Securities Laws") because the Company is issuing the Interests in reliance upon the exemptions from the registrations requirements of the Securities Laws providing for issuance of securities not involving a public offering, (b) that the Company has relied upon the fact that the Interests are to be held by each Member for investment, and (c) that exemption from registrations under the Securities Laws would not be available if the Interests were acquired by a Member with a view to distribution. Accordingly, each Member hereby confirms to the Company that such Member is acquiring Interests for such Member's own account, for investment and not with a view to the resale or distribution thereof without complying with an exemption from registration under the Securities Laws. Each Member understands that the Company is under no obligation to register the Interests or to assist such Member in complying with any exemption from registration under the Securities Laws if such Member should at a later date wish to dispose of the Interests. Each Member understands that there is no market for the Interests, and that the Member may be required to hold such Interests for an indefinite period of time. Prior to acquiring the Interests, each Member has made an investigation of the Company and its business and the Company has made available to each such Member all information with respect thereto which such Member requested to make an informed decision to acquire the Interests. Each Member considers himself to be a person possessing experience and sophistication as an investor adequate for the evaluation of the merits and risks of such Member's investment in the Interests.

Section 10.14.Tax Status.

(a) Each of the undersigned Members represents and warrants to the Company and the other Members that at least one of the following statements is true with respect to such Member and, except to the extent otherwise approved by the Board of Directors, will continue to be true throughout the period during which such Member holds any interests in the Company:

(i) the Member is not a partnership, grantor trust or S corporation (or entity disregarded as separate from a partnership, grantor trust or S corporation) for U.S. federal income tax purposes; or

(ii) the Member is a partnership, grantor trust, or S corporation (or entity disregarded as separate from a partnership, grantor trust or S corporation) for U.S. federal income tax purposes, and, with regard to each Beneficial Owner of the Member,

(A) the principal purposes for the establishment or use of the Member (or, in the case of a Member that is an entity so disregarded as separate from a partnership, grantor trust or S corporation, the principal purposes for the establishment of or use of its sole owner) do not include avoidance of the one hundred (100) partner limitation set forth in Treasury Regulations Section 1.7704-1(h)(1)(ii) with respect to the Company; or

(B) not more than fifty percent (50%) of the value of such Beneficial Owner's interest in the Member (or in the case of a Member that is an entity so disregarded as separate from a partnership, grantor trust or S corporation, not more than fifty percent (50%) of the value of the Beneficial Owner's interest in its sole owner) is attributable to the Member's interests in the Company; and

(b) the Member has not obtained, nor will the Member transfer or assign, any of its interests in the Company (or any interest therein) or cause any of its interests in the Company (or any interest therein) to be marketed on or through an "established securities market" within the meaning of Section 7704(b)(1) of the Code, or a "secondary market," or the substantial equivalent thereof, within the meaning of Section 7704(b)(2) of the Code, including an over-the-counter market or an interdealer quotation system that regularly disseminates firm buy or sell quotations.

(c) For purposes of this Section 10.14 the term "Beneficial Owner" shall have the meaning assigned to such term in Treasury Regulations Section 1.7704-1(h)(3). In the event that a Member's representations pursuant to this Section 10.14 shall at any time fail to be true, the Member shall promptly (and in any event within ten (10) days) notify the Board of Directors and the Company of such fact and shall promptly thereafter deliver to the Board of Directors and the Company any information regarding the Member and its beneficial owners reasonably requested by counsel to the Company for purposes of determining the number of the Company's partners within the meaning of Treasury Regulations Section 1.7704-1(h).

Section 10.15. Valuations; Determination of Net Profit Shares, etc. Wherever this Agreement provides for the determination (i) of a valuation of assets or equity interests by the Board of Directors, including any determination of Fair Market Value, (ii) amounts to be distributed pursuant to Article IV, including the reasonableness of reserves pursuant to Section 4.03(a), or (iii) the amount of BP Member Redemption Consideration to be paid to a BP Redeemed Member, in the event that the Board of Directors is unable to agree on such determination within thirty (30) days of the date which such matter has been referred to the Board of Directors for their determination, the Board of Directors may approve referral of the valuation determination to an internationally recognized investment bank, financial advisor or valuation or appraisal firm recognized as having appropriate experience in doing valuations of the nature required, which is independent of and not affiliated with the Company, any Director or any Member of the Company any of their respective Affiliates and who is mutually acceptable in good faith to at least one WCA Representative and one Bernard Representative. The determination of such valuation by such third party valuation expert shall be final and binding on the Members of the Company absent manifest mathematical error.

Section 10.16. Counterparts. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. This Agreement is effective upon delivery of one executed counterpart from each party to the other parties. The signatures of all parties need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person.

ARTICLE XI

DEFINITIONS

Section 11.01. Definitions. As used herein, the following terms have the meanings set forth below:

(a) "Act" means the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.), as amended from time to time.

(b) "Adjusted Net Profit" means (a) Net Profit Proceeds less (b) the sum of (i) BP Net Profit Share, (ii) the Front Office Incentive Compensation and (iii) the Finco Bonus.

(c) "Affiliate" when used with respect to any Person, means: (A) any other Person at the time directly or indirectly Controlling, Controlled by or under direct or indirect common Control with such Person; (B) any executive officer of such Person; and (C) when used with respect to an individual, shall include a spouse, any ancestor or descendant, or any other relative (by blood, adoption or marriage), within the second degree of such individual or any trust or other vehicle set up for the benefit of such individuals. When used with respect to the Company, "Affiliate" shall not include the funds advised by the Company and its Subsidiaries. Neither CC nor BP (including any individual or entity that would be considered an Affiliate of CC or BP) will be considered an Affiliate of the Company for the purposes of Section 2.11.

(d) "Aggregate BP Net Profit Tail Payment Amount" means (a) with respect to Daniel Zwirn, an amount equal to the product of (i) the average of the BP Redeemed Member Excess Net Profit Amount actually paid to such BP Redeemed Member for the last three (3) Fiscal Years immediately preceding the BP Member Redemption Date (or such fewer number of full Fiscal Years after the Effective Date and prior to the BP Member Redemption Date of such BP Member Redemption Date) multiplied by (ii) one-third (1/3rd), multiplied by (iii) five (5); and (b) with respect to Lawrence Cutler, an amount equal to the product of (i) the average of the BP Redeemed Member Excess Net Profit Amount actually paid to such BP Redeemed Member for the last three (3) Fiscal Years immediately preceding the BP Member Redemption Date (or such fewer number of full Fiscal Years after the Effective Date and prior to the BP Member Redemption Date of such BP Member Redemption Date) multiplied by (ii) one-third (1/3rd), multiplied by (iii) three (3).

(e) "Agreement" shall have the meaning set forth for such term in the Preamble hereto.

(f) "AI" means Arena Investors, LP, a Delaware limited partnership.

(g) "AIGH Transaction Expenses" has the meaning set forth in Section 2.07.

(h) "Annual Distributions" means annual distributions to BP in an aggregate amount of $1,600,000, which amount represents $800,000 payable to Daniel Zwirn pursuant to the BP LLCA and $800,000 payable to Lawrence Cutler pursuant to the BP LLCA, and which, following the date of this Agreement, may be (i) decreased by the applicable amount payable to Daniel Zwirn or Lawrence Cutler following a BP Member Redemption Event with respect to either individual or (ii) increased with the consent of the Board of Directors of the Company.

(i) "Arena Agreements" has the meaning set forth in the Investment Agreement.

(j) "Arena Reorganization" has the meaning set forth in the Investment Agreement.

(k) "Bankruptcy Proceeding" means (a) the commencement by a Person of a voluntary case or proceeding under title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Federal Bankruptcy Act") or any other similar federal or state law or any other case or proceeding to be adjudicated a bankrupt or insolvent; (b) the consent (whether by action or inaction) by a Person to the entry of a decree or order for relief in respect of such Person in an involuntary case or proceeding under the Federal Bankruptcy Act or any other similar federal or state law or to the commencement of any bankruptcy or insolvency case or proceeding against a Person; (c) the filing by a Person of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by a Person to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of a Person of any substantial part of the property of such Person; (d) the making by a Person of an assignment for the benefit of creditors, or (e) the admission by a Person in writing of its inability to pay its debts generally as they become due.

(l) "Bernard Representative" has the meaning set forth for such term in Section 2.01(b) hereof.

(m) "Board of Directors" shall have the meaning set forth for such term in Section 2.01 hereof.

(n) "BP" means Bernard Partners, LLC, a New York limited liability company.

(o) "BP LLCA" means the Amended and Restated Operating Agreement of BP, dated as the Effective Date.

(p) "BP Member" means each of Daniel Zwirn, Lawrence Cutler and each other Person who becomes a member of BP, in each case for long as such Person continues to be a member of BP.

(q) "BP Member Individual Net Profit Percentages" means the Net Profit Percentages (as defined in the BP LLCA) with respect to each BP Member set forth in the BP LLCA as of the date of this Agreement, subject to further adjustment as may be approved by the Board of Directors.

(r) "BP Member Redemption Consideration" means (a) with respect to a BP Member other than Daniel Zwirn and Lawrence Cutler, the consideration designated as BP Redemption Consideration in such BP Member's Employment Agreement with respect to such Member and (b) with respect to Daniel Zwirn or Lawrence Cutler, the following:

(i) With respect to Daniel Zwirn only, in the event of a BP Member Redemption Event as result of a termination of the BP Redeemed Member's employment with the Company Entities without Cause or resignation by the BP Redeemed Member for Good Reason:

(A) The Net Profit Share Catch-Up attributable to the BP Redeemed Member, calculated assuming all amounts distributable in accordance with clause (D) below will be paid in full in cash, will be paid to BP in five (5) equal annual installments commencing on the first (1st) anniversary of the BP Member Redemption Date; provided, however, if on the fifth (5th) anniversary of the BP Member Redemption Date, the amount paid to the BP Redeemed Member pursuant to clause (D) is less than the amount of the cumulative Undistributed Net Profit attributable to the BP Redeemed Member for the periods prior to the BP Member Redemption, the final installment of the Net Profit Share Catch-up shall be grossed up by such amount ("Final Installment Gross-Up"); provided, further, if the Final Installment Gross-Up is provided, the BP Redeemed Member is not entitled to any more payments under (D) below;

(B) $5,000,000 paid over a five (5) year period commencing on the BP Member Redemption Date, on the same schedule that would otherwise apply had the BP Redeemed Member's employment continued through the end of such period;

(C) The Minimum BP Distribution attributable to such BP Redeemed Member during the five (5) years following the BP Member Redemption Date will be continued to paid on the same schedule that would otherwise apply had the BP Redeemed Member's employment continued through the end of such period;

(D) The cumulative Undistributed Net Profit attributable to the BP Redeemed Member for periods prior to the BP Member Redemption Date which have not previously been distributed in cash, payable as the Company receives net cash proceeds (i.e., net of realized losses) with respect to the underlying unrealized assets (e.g. unrealized carry) of the Company attributable to the BP Redeemed Member's Undistributed Net Profit as of the BP Member Redemption Date, provided that such payments will not exceed the value of such underlying assets as of the BP Member Redemption Date; and

(E) The Aggregate BP Net Profit Tail Payment Amount attributable to the BP Redeemed Member, paid in five (5) equal annual installments commencing on the first anniversary of the BP Member Redemption Date.

(ii) With respect to Lawrence Cutler only, in the event of a BP Member Redemption Event as result of a termination of the BP Redeemed Member's employment with the Company Entities without Cause or resignation by the BP Redeemed Member for Good Reason:

(A) The Net Profit Share Catch-Up attributable to the BP Redeemed Member, calculated assuming all amounts distributable in accordance with clause (D) below will be paid in full in cash, will be paid to the BP Redeemed Member in three (3) equal annual installments commencing on the first (1st) anniversary of the BP Member Redemption Date; provided, however, if on the third (3rd) anniversary of the BP Member Redemption Date, the amount paid to the BP Redeemed Member pursuant to clause (D) is less than the amount of the cumulative Undistributed Net Profit attributable to the BP Redeemed Member for the periods prior to the BP Member Redemption, the final installment of the Net Profit Share Catch-up shall be grossed up by such amount ("Final Installment Gross-Up"); provided, further, if the Final Installment Gross-Up is provided, the BP Redeemed Member is not entitled to any more payments under (D) below;

(B) $2,000,000 paid over a two (2) year period commencing on the BP Member Redemption Date, on the same schedule that would otherwise apply had the BP Redeemed Member's employment continued through the end of such period; provided, that if such BP Member Redemption Event occurs prior to the three (3) year anniversary of the Effective Date, $3,000,000 paid over a three (3) year period commencing on the BP Member Redemption Date, on the same schedule that would otherwise apply had the BP Redeemed Member's employment continued through the end of such period;

(C) The Minimum BP Distribution attributable to such BP Redeemed Member during the two (2) years following the BP Member Redemption Date will be continued to paid on the same schedule that would otherwise apply had the BP Redeemed Member's employment continued through the end of such period; provided, that if such BP Member Redemption Event occurs prior to the three (3) year anniversary of the Effective Date, the Minimum BP Distribution attributable to such BP Redeemed Member during the three (3) years following the BP Member Redemption Date will be continued to paid on the same schedule that would otherwise apply had the BP Redeemed Member's employment continued through the end of such period;

(D) The cumulative Undistributed Net Profit attributable to the BP Redeemed Member for periods prior to the BP Member Redemption Date which have not previously been distributed in cash, payable as the Company receives net cash proceeds (i.e., net of realized losses) with respect to the underlying unrealized assets (e.g. unrealized carry) of the Company attributable to the BP Redeemed Member's Undistributed Net Profit as of the BP Member Redemption Date,

provided that such payments will not exceed the value of such underlying assets as of the BP Member Redemption Date; and

(E) The Aggregate BP Net Profit Tail Payment Amount attributable to the BP Redeemed Member, paid in three (3) equal annual installments commencing on the first (1st) anniversary of the BP Member Redemption Date.

(iii) With respect to Daniel Zwirn only, in the event of BP Member Redemption Event due to the death, Disability, or Qualified Retirement of the BP Redeemed Member:

(A) $3,000,000 paid over a three (3) year period commencing on the first (1st) anniversary of the BP Member Redemption Date, the same schedule that would otherwise apply had the BP Redeemed Member's employment continued through the end of such period; and

(B) The amount that would otherwise have been Distributed to the BP Redeemed Member had such BP Redeemed Member continued to be a BP Member for a period of three (3) years commencing on the BP Member Redemption Date paid on the same schedule that would otherwise apply had the BP Redeemed Member's continued to be BP Member through the end of such period; provided, however, that if such BP Member Redemption Event is due to a Qualified Retirement, fifty percent (50%) of each payment or Distribution will be withheld and paid on the third (3rd) anniversary of the date such payment or Distribution was withheld; and provided, further that, if the BP Member Redemption Date occurs prior to the fifth (5th) anniversary of the Effective Date, to the extent that the BP Redeemed Member has not received the Minimum Net Profit Share Amount by the end of such three (3) year period, the Net Profit Share Catch-Up attributable to such BP Redeemed Member shall be paid immediately in cash. For the avoidance of doubt, the portion of any such amount attributable to the accumulated Undistributed Net Profit at the end of the three (3) year period will be paid from the net-cash proceeds from the realization of the underlying assets attributable to such Undistributed Net Profit, as and when, such underlying assets are realized for cash.

(iv) With respect to Lawrence Cutler only, in the event of BP Member Redemption Event due to the death, Disability, or Qualified Retirement of the BP Redeemed Member:

(A) $2,000,000 paid over a two (2) year period commencing on the BP Member Redemption Date, on the same schedule that would

otherwise apply had the BP Redeemed Member's employment continued through the end of such period; and

(B) The amount that would otherwise have been Distributed to the BP Redeemed Member had such BP Redeemed Member continued to be a BP Member for a period of two (2) years commencing on the BP Member Redemption Date and paid over a period of four (4) years commencing on the BP Member Redemption Date; provided, however, if the BP Redeemed Member retires at the age of sixty-eight (68), the amount that would be Distributed to the BP Redeemed Member would be had such BP Redeemed Member continued to be a BP Member for a period of three (3) years commencing on the BP Member Redemption Date and paid over a period of six (6) years commencing on the BP Member Redemption Date; provided, further, that, if the BP Member Redemption Date occurs prior to the fifth (5^{th}) anniversary of the Effective Date, to the extent that the BP Redeemed Member has not received the Minimum Net Profit Share Amount by the end of such three (3) year period, the Net Profit Share Catch-Up attributable to such BP Redeemed Member shall be paid immediately in cash. For the avoidance of doubt, the portion of any such amount attributable to the accumulated Undistributed Net Profit at the end of the three (3) year period will be paid from the net-cash proceeds from the realization of the underlying assets attributable to such Undistributed Net Profit, as and when, such underlying assets are realized for cash.

(v) in the event of a BP Member Redemption Event as a result of a termination for Cause or voluntary resignation by the BP Redeemed Member other than for Good Reason, one dollar ($1).

(s) "BP Member Redemption Event" means the termination of a BP Member's employment with the Company Entities (including, for the avoidance of doubt, on the liquidation of the Company).

(t) "BP Member Redemption Date" means the date of the BP Member Redemption Event.

(u) "BP Net Profit Percentage" means 45% or such other percentage as determined with the Unanimous Consent of the Directors; provided, however, in the event of a BP Member Redemption Event of Daniel Zwirn, the BP Net Profit Percentage shall be reduced by an amount equal to the product of (i) the BP Net Profit Percentage in effect immediately prior to the BP Member Redemption Event and the (ii) aggregate BP Member Individual Net Profit Percentages of the other BP Members immediately prior to the BP Member Redemption Event.

(u) "BP Net Profit Share" means with respect to any period, an amount equal to the greater of (a) the Minimum BP Distributions for such period and (b) the excess, if any, of (i) Net

Profit Proceeds multiplied by the BP Net Profit Percentage for such period over (ii) the Front Office Incentive Compensation for such period.

(v) "BP Party" means, as of any time, BP and each BP Member.

(w) "BP Redeemed Member" has the meaning set forth in Section 7.03.

(x) "BP Redeemed Member Excess Net Profit Amount" means, for any period, the excess of the aggregate BP Net Profit Share attributable to the BP Redeemed Member during such period over the Minimum BP Distributions attributable to the BP Redeemed Member received by the BP Redeemed Member during such period.

(y) "Business" shall have the meaning set forth in Section 1.03(a) hereof.

(z) "Capital Account" shall have the meaning set forth for such term in Section 4.01(a) hereof.

(aa) "Capital Contribution" means the cash plus the fair market value (net of liabilities) of other property contributed to the Company by a Member.

(bb) "Carried Interest Vehicle" shall have the meaning set forth for such term in Schedule B hereof.

(cc) "Cause" with respect to a BP Member, shall have the meaning set forth in the Employment Agreement of such BP Member with a Company Entity.

(dd) "CC" shall have the meaning set forth for such term in the Preamble hereto.

(ee) "Certificate of Formation" shall have the meaning set forth for such term in Section 1.01 hereof.

(ff) "Clients" shall have the meaning set forth for such term in Section 1.03(a).

(gg) "Code" means the Internal Revenue Code of 1986, as amended.

(hh) "Company" shall have the meaning set forth for such term in the Preamble hereto.

(ii) "Company Entity" means (a) the Company, (b) each direct and indirect Subsidiary thereof, including without limitation, Arena Finance Company Inc., an Ontario corporation, Arena Finance Holdings Co., LLC, a Delaware limited liability company, AI, Arena Investors GP, LLC, a Delaware limited liability company and Arena Origination Co., LLC, a Delaware limited liability company and (c) all of the current or future General Partner Entities of the Funds.

(jj) "Company Front Office Team" means, collectively, (i) employees of the Company Entities that serve in an investment professional role and (ii) any other employee of a Company Entity (x) that will be entitled to receive a portion of the Net Profit Share or carried interest

(or carried interest-like distributions) on any Fund or (y) that is designated by the Board of Directors to be a member of the Company Front Office Team, with, in the case of this clause (y) the consent of BP. For the avoidance of doubt, there are no other categories of employees of the Company other than the Company Front Office Team, the BP Parties and the middle and back office team.

(kk) "Competitor" means any Person who directly or indirectly (whether itself or through an Affiliate thereof), through the provision of investment management or advisory services, competes in any material respect with the business engaged in by the Company at the applicable time of determination, but shall not include Persons who invest in or provide such competitive services as an ancillary matter to the investment in or advice as to the investment in equity securities.

(ll) "Control", means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(mm) "Corporate Conversion" shall have the meaning set forth for such term in Section 7.02(b) hereof.

(nn) "Corporate Status" means the status of a Person by reason of the fact that such Person (or a Person of whom he or she is the legal representative) is or was or has agreed to become a Director, officer, member, manager or partner of the Company or any of its Subsidiaries, is or was serving or has agreed to serve at the request of the Board of Directors, the Company or its Subsidiaries as a manager, director, officer, partner, venturer, proprietor, trustee or similar functionary of another non-U.S. or domestic limited ability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(a) "Cutler Employment Agreement" means the employment agreement dated [●], 2024 between Lawrence Cutler and [●] (as may be amended from time to time).

(b) "Deemed Tax Rate" means, with respect to any Member and as of any relevant determination date, the highest combined effective marginal federal, state and local income tax rate then applicable (including any Medicare contribution tax on net investment income) to an individual (or, if higher, to a corporation) resident in New York, New York, and taking into account, for the avoidance of doubt but subject to clauses (x) and (y) below, the deductibility of state and local income tax for U.S. federal income tax purposes (assuming the maximum limitations associated with such deductions), and adjusted in the discretion of the Board of Directors to take into account (x) calculations under the applicable state and local tax laws of taxable income and taxable losses and the extent to which such losses may offset such income and (y) potential application of the alternative minimum tax, where such Member is subject to alternative minimum tax rates and rules in years in which the alternative minimum tax applies (assuming, for purposes of determining whether a Member is subject to alternative minimum tax and the amount of such tax, that such Member's only income is the taxable income allocated by this Agreement as of the relevant determination date and that such Member is an individual resident in New York, New York).

(c) "Director" shall have the meaning set forth for such term in Section 2.01 hereof.

(d) "Disability" with respect to a BP Member, shall have the meaning set forth in the Employment Agreement of such BP Member with a Company Entity or, if not defined therein, shall mean such BP Member's inability to perform such BP Member's material duties with respect to the applicable Company Entity, with or without reasonable accommodations, due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) days (including weekends and holidays) in any three hundred sixty-five (365)-day period, as determined by such Company Entity in its reasonable discretion.

(e) "Distribution" means cash or property, in each case, measured at fair market value (net of liabilities assumed or to which the property is subject), distributed to a Member in respect of the Member's Interest in the Company as set forth in Article IV or Section 8.03 hereof.

(f) "Effective Date" has the meaning set forth in the recitals.

(a) "Employment Agreement" means either the Zwirn Employment Agreement or the Cutler Employment Agreement, as the context requires.

(b) "Equity Adjustment Date" means any date on which the Equity Percentage is adjusted pursuant to Section 3.02(a).

(c) "Equity Percentage" means the percentage of Interests owned by such Member, determined in accordance with the terms set forth in Section 3.02(c).

(d) "Fair Market Value" means, with respect to any asset or equity interest, its fair market value as determined in good faith by the Board of Directors as of the date of the event requiring a determination of Fair Market Value, as the case may be, taking into account such factors as the Board of Directors deems appropriate.

(e) "Finco Bonus" means [_____][3] .

(f) "Fiscal Year" shall have the meaning set forth for such term in Section 1.04 hereof.

(g) "Front Office Incentive Compensation" means any variable compensation, bonuses, or carry distributions by a Company Entity to the Company Front Office Team (other than a BP Party). For the avoidance of doubt, the only compensation of the BP Members will be salary and other amounts pursuant to their respective Employment Agreements, Annual Distributions, any Finco Bonus and BP Net Profit Share and other entitlements pursuant to this Agreement.

(h) "Fund" means any funds, investment vehicles, managed accounts or other investment arrangements (including any parallel vehicles, accounts or arrangements or, where the context so requires, any co-investment vehicles or alternative investment vehicles) now or hereafter, directly or indirectly, launched, formed, managed, sponsored or advised by any Company Entity and/or that have a Company Entity (including any General Partner Entity) as their general partner, manager or similar Controlling entity.

[3] **Note to Draft**: To be mutually agreed by the parties between signing and closing.

(i) "GAAP" means generally accepted accounting principles.

(j) "General Partner Entity" means, collectively, the general partner, manager or similar Controlling entity of each Fund (including any parallel, feeder and/or alternative investment vehicles formed in connection therewith) and any other entity entitled to Incentive Fees.

(k) "Good Reason" with respect to a BP Member, shall have the meaning set forth in the Employment Agreement of such BP Member with a Company Entity. For the avoidance of doubt, if a BP Member's Employment Agreement does not define "Good Reason," Good Reason shall not be applicable to such BP Member.

(l) "Incentive Fees" means any and all cash fees paid, payable or allocated to Company Entity on account of the provision of investment management or advisory services to any client which are based on an increase in the value of the assets under management (excluding the increase in capital contributions or contributions to assets under management by the client) and shall include, but not be limited to, realized (i) carried interests, (ii) profits interests, (iii) incentive interests, (iv) promoted interests and (v) similar interests and fees, but which shall exclude accrued fees or interest which have not been earned in accordance with the agreement pursuant to which they are paid or allocated.

(m) "Indemnified Party" shall have the meaning set forth for such term in Section 2.13(a) hereof.

(n) "Insolvent Person" means: (a) any Person who commences or becomes the subject of a Bankruptcy Proceeding; (b) any Person against whom any proceeding is commenced seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the Federal Bankruptcy Act or any other statute, law, or regulation, which proceeding has not been dismissed within 60 days after its commencement; or (c) any Person with respect to which a trustee, receiver, or liquidator of that Person or all or a substantial part of that Person's property has been appointed without that Person's consent or acquiescence, unless such appointment has been vacated or stayed within 30 days thereafter, or, if such appointment has been stayed, such appointment has been vacated within 30 days after the expiration of the stay.

(o) "Interest" means with respect to any Member as of any time, such Member's "Membership Interest" in the Company as defined in the Act and shall reflect such Member's Equity Percentage and Net Profit Shares, as of such time, as applicable.

(p) "Investment Agreement" has the meaning set forth in the Recitals.

(q) "Investment Closing" means the Closing as defined in the Investment Agreement.

(r) "Managed Account" shall have the meaning set forth for such term in Schedule B hereof.

(s) "Management Fees" means any and all cash fees or charges paid to an investment advisor or manager on account of the provision of investment management or advisory services to any client and shall include, but not be limited to, any cash management fee based on

assets under management (including as a percentage of committed capital), as a proportion of investment gains, transactional fees, monitoring fees, consulting fees, fees associated with the provision of administrative services, and other fees of a similar nature which may be typically paid by clients of investment managers or advisors.

(t) "Member" means a Person holding Interests who has been admitted as a Member of the Company in accordance with the provisions set forth in this Agreement.

(u) "Member's Cumulative Tax Liability" shall have the meaning set forth for such term in Section 4.02 hereof.

(v) "Minimum BP Distributions" means distributions to BP in an aggregate amount of $3,500,000, which amount represents $2,500,000 payable to Daniel Zwirn pursuant to the BP LLCA and $1,000,000 payable to Lawrence Cutler pursuant to the BP LLCA, and which, following the date of this Agreement, may be (i) decreased by the applicable amount payable to Daniel Zwirn or Lawrence Cutler following a BP Member Redemption Event with respect to either individual a or (ii) increased with the consent of the Board of Directors of the Company.

(w) "Minimum Net Profit Share Amount" shall mean an amount equal to $27,000,000 in the event Daniel Zwirn is the BP Redeemed Member and $6,750,000 in the event Lawrence Cutler is the BP Redeemed Member.

(x) "Monetization Event" any (i) Transfer other than a Permitted Transfer of any of the Equity Percentage Interests of the Company or other Transfer of a revenue share interest or similar participation with respect to the Company or its Subsidiaries (including by way of primary issuance or a secondary transfer, merger, consolidation, business combination, sale or other transaction) or (ii) sale of assets outside the ordinary course of business or any debt or equity financing transaction, including, without limitation, a public offering of interests in the Company.

(y) "Monetization Event Proceeds" means the proceeds of any Monetization Event.

(z) "Net Profit Proceeds" means with respect to any fiscal period, the aggregate amount of cash Management Fees, Incentive Fees, Origination Fees and all other fees and revenue earned and actually received by the Company Entities in respect of Funds or Clients during such fiscal period less the aggregate amount of Operating Expenses of the Company paid in cash during such fiscal period; provided that in no circumstances will any cash or other securities received in respect of a Monetization Event constitute any amount of Net Profit Proceeds; provided, further, that, for the avoidance of doubt, "Net Profit Proceeds" shall be determined without regard to any payment of the Finco Bonus, if any.

(aa) "Net Profit Share" shall have the meaning set forth in Section 3.02(c).

(bb) "Net Profit Share Catch-Up" means with respect to a BP Redeemed Member, the excess, if any, of (a) the Minimum Net Profit Share Amount of such BP Redeemed Member over the sum of (b)(w) the aggregate BP Redeemed Member Excess Net Profit Amount received as of the BP Member Redemption Date, (x) the Aggregate BP Net Profit Tail Payment Amount to

be received after termination, (y) solely in in the case of Daniel Zwirn, the amount of the Finco Bonus and (z) the Undistributed Net Profit of such BP Redeemed Member.

(cc) "Notice 2005-43" means proposed Revenue Procedure set forth in Internal Revenue Service Notice 2005-43.

(dd) "Operating Expenses" means for any fiscal period, all operating expenses of the Company Entities that are actually incurred during such period, including (i) all base salaries, including any such amounts paid directly or indirectly to any BP Party (including the Annual Distributions) and the Company Front Office Team, (ii) middle and back office variable cash compensation, (iii) any compensation (including profit sharing) of the management principals of the Arena Institutional Services business units, but excluding Front Office Incentive Compensation and the Finco Bonus, (iv) the BP LLCA Expenses and (v) the AIGH Transaction Expenses.

(ee) "Origination Fees" means any fees payable with respect to the origination of any loan or other investment opportunity, but excluding Management Fees and Incentive Fees

(ff) "Partnership Audit Rules" means the partnership audit rules under Sections 6221 through 6241 of the Code and any successor statutes thereto or Treasury Regulations promulgated thereunder, each as amended from time to time.

(gg) "Partnership Representative" shall have the meaning set forth for such term in Section 9.03 hereof.

(hh) "Permitted Transfer" means (a) with respect to the Interests held by WCA, (i) any indirect Transfer occurring as a result of a Transfer of any equity interest in WCA other than a Transfer to a Competitor of the Company and (ii) any Transfer of Interests by WCA to an Affiliate of WCA, (b) with respect to CC, any Transfer of Interests by CC to an Affiliate of CC and (c) with respect to the Interests held by BP, any Transfer occurring as a result of the issuance or redemption of any equity interest or right to acquire an equity interest in BP, or any other Transfer of any such interest, to or from any Related Employee or person who has ceased to be a Related Employee, or an estate planning vehicle of such person.

(ii) "Permitted Transferee" means any Person to whom a Member has Transferred its Interest pursuant to a Permitted Transfer.

(jj) "Person" means any natural person, corporation, limited partnership, general partnership, limited liability company, limited liability partnership, joint venture, trust, company or other business association or organization, whether or not a legal entity.

(kk) "Public Offering" means any underwritten sale of Interests (or common stock issued upon the conversion of Interests) pursuant to (A) an effective registration statement under the Securities Act filed with the Securities and Exchange Commission on Form S-l, S-2 or S-3 (or any successor form adopted by the Securities and Exchange Commission), and/or (B) a prospectus filed with the Ontario Securities Commission, and in which such Interests or common shares are listed on the New York Stock Exchange, the NASDAQ Stock Market, the Toronto Stock Exchange or another internationally recognized stock exchange in the United States or Canada.

(ll) "Qualified Retirement" means resignation by a BP Member other than for Good Reason from employment with the Company Entities by a BP Member in the ordinary course at or after age seventy (70) in the case of Daniel Zwirn, sixty-five (65) in the case of Lawrence Cutler and in the case of any other BP Member, such age as specified in a written agreement between the Company or one of its Affiliates and such BP Member, and if no such age is specified, age sixty-five (65).

(mm)"Related Employee" means a Person who is employed by BP or a Company Entity and who provides investment advice and or other services to or on behalf of the Company and or its Subsidiaries.

(nn) "Securities Act" means the United States Securities Act of 1933 and applicable rules and regulations thereunder. Any reference herein to a specific section, rule or regulation of the Securities Act shall be deemed to include any corresponding provisions of future law.

(oo) "Sub-Advisory Agreement" means that certain Sub-Advisory Agreement, date as of the Effective Date, by and between CC Capital Insurance Advisors LLC and AI.

(pp) "Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of membership, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof or (c) if a limited partnership, the general partner of such limited partnership is Controlled by that Person or one or more of the other Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association or other business entity. For purposes hereof, references to a "Subsidiary" of any Person shall be given effect only at such times that such Person has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

(qq) "Tax Distribution" shall have the meaning set forth for such term in Section 4.02 hereof.

(rr) "Transfer" means any sale, transfer, assignment, gift, bequest, donation, pledge, hypothecation, encumbrance, mortgaging, assignment as collateral, or disposition of all or any portion of Interests and any interests therein by any other means, whether directly or indirectly, whether for value or for no value and whether voluntary or involuntary (including by realization upon any encumbrance, by operation of law or by judgment, levy, attachment, garnishment,

bankruptcy or other legal or equitable proceedings); provided that a Transfer of any interests in The Westaim Corporation or WCA shall not be deemed a "Transfer" of any Interests held by WCA or any of its Permitted Transferees.

(ss) "Unanimous Consent" has the meaning set forth for such term in Section 1.07(b) hereof.

(tt) "Undistributed Net Profit" means, with respect to each Member, the cumulative amount of the BP Net Profit Share or Adjusted Net Profit, as applicable, accrued with respect to a Member based on a GAAP accrual basis (subject to adjustments as determined appropriate by the Unanimous Consent of the Board of Directors) less the cumulative amount of distributions to such Member pursuant to Section 4.03(b).

(uu) "WCA" shall have the meaning set forth for such term in the Preamble hereto.

(vv) "WCA Representative" has the meaning set forth for such term in Section 2.01(a) hereof.

(ww) "Withholding Taxes" shall have the meaning set forth for such term in Section 9.06.s

(xx) "Zwirn Employment Agreement" means the employment agreement dated [●], 2024 between Daniel B. Zwirn and [●] (as may be amended from time to time).

Section 11.02. Construction. Any reference in this Agreement to an "Article," "Section," "Exhibit" or "Schedule" refers to the corresponding Article, Section, Exhibit or Schedule of or to this Agreement, unless the context indicates otherwise. The table of contents and the headings of Articles and Sections are provided for convenience only and are not intended to affect the construction or interpretation of this Agreement. All words used in this Agreement should be construed to be of such gender or number as the circumstances require. The words "including," "includes," or "include" are to be read as listing non-exclusive examples of the matters referred to, whether or not words such as "without limitation" or "but not limited to" are used in each instance. Where this Agreement states that a party "shall," "will" or "must" perform in some manner or otherwise act or omit to act, it means that the party is legally obligated to do so in accordance with this Agreement. Any reference to a statute is deemed also to refer to any amendments or successor legislation, and all rules and regulations promulgated thereunder, as in effect at the relevant time. Any reference to $, US$ or dollars refers to United States Dollars. Any references to a contract or other document as of a given date means the contract or other document as amended, supplemented and modified from time to time through such date.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the date first set forth above.

THE WESTAIM CORPORATION OF AMERICA

By: _____
Name: J. Cameron MacDonald
Title: Chief Executive Officer

CC CAPITAL PARTNERS, LLC

By: _____
Name:
Title:

BERNARD PARTNERS, LLC

By: _____
Name: Daniel B. Zwirn
Title: Chief Executive Officer

SCHEDULE A

MEMBER SCHEDULE

(effective [•])

Member	Equity Percentage	Profit Share
The Westaim Corporation of America 405 Lexington Avenue, 59th Floor New York, NY 10174 Attn: Robert T. Kittel rkittel@westaim.com	100%	89.09% of Adjusted Net Profit
CC Capital Partners, LLC	0%	10.91% of Adjusted Net Profit
Bernard Partners, LLC 405 Lexington Avenue, 59th Floor New York, NY 10174 Attn: Daniel Zwirn, Lawrence Cutler and Thomas Amon dzwirn@arenaco.com lcutler@arenaco.com tamon@praetorlegalservices.com	0%	100% of the BP Net Profit Share

SCHEDULE B

AUTHORITY OF THE CHIEF EXECUTIVE OFFICER

1. Acquiring and/or disposing of loans and/or other investments on behalf of a Fund or Managed Account of AI from an arm's length party in accordance with the written investment objectives of such Fund or Managed Account as provided in the governing documents and/or agreement of such Fund or Managed Account (subject to coordination with the Board of Directors as needed to ensure alignment with the terms of the Investment Management Agreement with CC Capital Insurance Advisors);
2. Acquiring and/or disposing of loans and/or other investments on behalf of a Fund or Managed Account from an affiliated party in accordance with the written investment objectives of such Fund or Managed Account as provided in the governing documents and/or agreement of such Fund or Managed Account and with such independent consent or approval as are required in the Fund or Managed Account constituent documents; provided that any insurance separately managed account that is subject to any terms of the Investment Management Agreement shall require the consent of the Board of Directors
3. Forming a new entity with no capital investment required, liquidating or dissolving a non-core Subsidiary in the ordinary course of business
4. Establishing or sponsoring a pooled investment vehicle in the ordinary course of business
5. Entering into investment management agreements with advisory clients, and taking any action pursuant to any such investment management agreements
6. Entering into any strategic or enterprise-related joint venture or strategic alliance on behalf of Funds or Managed Accounts in the ordinary course of business; provided that, for the avoidance of doubt, any such joint venture or strategic alliance to which the Company is a party must be approved by the Board of Directors
7. Forming, liquidating or dissolving a special purpose vehicle formed to participate in the carried interest or performance fees generated by any advisory client (such vehicle, a "Carried Interest Vehicle"), provided ownership of such vehicle is limited to the Company, its Subsidiaries and employees and independent contractors of the Company and its Subsidiaries
8. Admitting any employee or independent contractor of the Company or any of its Subsidiaries as a member, partner or shareholder of any Carried Interest Vehicle as approved by the board in line with the carried interest plan
9. Replacing the custodian or administrator serving any client of the Company or any Subsidiaries
10. Acquiring or disposing of assets in the ordinary course of business below an amount of $500,000
11. Making any registration or filing, or amending any registration or filing, with any governmental or self-regulatory authority in connection with the conduct of the business of

the Company or its Subsidiaries, including the filing or amendment of a Form ADV or Form BD required in the circumstances

12. Making employment related decisions with respect to non-management level employees, including hiring and firing of such employees and entering into any contract, including any engagement or termination of any such employee or consultant, requiring annual payments by the Company or any of its Subsidiaries in the ordinary course involving less than $250,000
13. Initiating or settling any suit or legal proceeding involving payment of less than $250,000
14. Taking any action with respect to any advisory client in the ordinary course of business
15. Selecting the location of the Company's offices within the United States
16. Raising third-party non-insurance strategy capital

APPENDIX "J"
CONTRIBUTION AND EXCHANGE AGREEMENT

See attached.

CONTRIBUTION AND EXCHANGE AGREEMENT

This **CONTRIBUTION AND EXCHANGE AGREEMENT** (as may be amended or restated from time to time, this "Agreement"), is made as of [●] [●], 202[●] (the "Effective Date"), between The Westaim Corporation of America, a Delaware corporation ("Wembley") and Arena Investors Group Holdings, LLC, a Delaware limited liability company ("AIGH"). All capitalized terms used herein which are not otherwise defined shall have the respective meanings set forth in that certain Third Amended and Restated Limited Liability Company Agreement of AIGH, dated as of [●] [●], 202[●] (as may be amended or restated from time to time, the "AIGH LLC Agreement").

W I T N E S S E T H

WHEREAS, immediately prior to the effectuation of the transactions contemplated by this Agreement, Wembley was the holder of the $[24,000,000][1] outstanding on the aggregate principal amount of a loan made to AIGH pursuant to that certain Facility Agreement, dated as of December 21, 2017, by and among Westaim Arena Holdings II, LLC, Arena Special Opportunities Fund (Onshore) GP, LLC, Arena Special Opportunities Fund (Offshore) II GP, LP and Wembley (such agreement, as amended, the "Facility Agreement" and such amount, the "Contributed Indebtedness"); and

WHEREAS, Wembley desires to contribute and assign the Contributed Indebtedness to AIGH in exchange for [100]% of the Equity Percentage of AIGH (the "Issued Equity Interest").

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Contributions and Equity Percentage Received.

(a) On the Effective Date, (i) Wembley hereby contributes, assigns, transfers, and delivers to AIGH, and AIGH hereby acquires and accepts, all rights in and to the Contributed Indebtedness, and (ii) in consideration therefor, AIGH hereby issues to WCA, and WCA hereby acquires and accepts from AIGH, the Issued Equity Interest.

(b) For U.S. federal income tax purposes, the parties intend and agree that (i) the contribution and exchange of the Contributed Indebtedness for the Issued Equity Interest under this Agreement shall be treated (A) as a non-taxable contribution governed by Section 721(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), except to the extent provided in Treasury Regulations section 1.721-1(d), and (B) pursuant to Section 108(e)(8) of the Code, as if AIGH satisfied the Contributed Indebtedness with an amount of money equal to the fair market value of the Issued Equity Interest and neither AIGH nor any member thereof will be required to recognize "cancellation of indebtedness" in connection with the contribution and exchange, and (ii) the Capital Account of Wembley shall be increased by an amount equal to the outstanding principal on the Contributed Indebtedness immediately following the contribution and exchange.

[1] To confirm amount outstanding.

2. Representations and Warranties. Each party hereby represents and warrants to the other party as follows:

(a) Each party is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to enter into this Agreement.

(b) This Agreement constitutes the legal, valid and binding obligation of such party enforceable in accordance with its terms.

(c) No consents or approvals are required from any governmental authority or other Person for such party to enter into this Agreement. All limited liability company, corporate or partnership action on the part of such party necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken.

(d) The execution and delivery of this Agreement by either party, and the consummation of the transactions contemplated hereby, do not conflict with or contravene the provisions of such party's organizational documents.

(e) The execution and delivery of this Agreement by such party, and the consummation of the transactions contemplated hereby, do not conflict with or contravene the provisions of any material agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

3. Miscellaneous.

(a) Recitals. The recitals set forth above are true and correct and are incorporated herein by reference.

(b) Amendment. This Agreement may not be modified, altered or amended, or its terms waived, except by an instrument in writing signed by the parties hereto.

(c) Successors and Assigns; No Third Party Beneficiaries. This Agreement is executed by, and shall be binding upon and inure to the benefit of, the parties hereto and each of their respective permitted successors and assigns. None of the provisions of this Agreement are intended to be, nor shall they be construed to be, for the benefit of any third party.

(d) Counterparts. This Agreement may be executed in one or more counterparts by some or all of the parties hereto, and (i) each such counterpart shall be considered an original, and all of which together shall constitute a single Agreement, (ii) the exchange of executed copies of this Agreement by facsimile or email of copies of this Agreement in Portable Document Format (PDF) shall constitute effective execution and delivery of this Agreement as to the parties for all purposes, (iii) signatures of the parties transmitted by facsimile or email of copies of this Agreement in Portable Document Format (PDF) shall be deemed to be their original signatures for all purposes, and (iv) counterparts of this Agreement may be signed electronically via Adobe Sign, DocuSign protocol or other electronic platform.

(e) Governing Law. The provisions of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without reference to the conflict-of-laws principles adopted by said State.

(f) Further Assurances. The parties hereto covenant and agree that they will execute, deliver and acknowledge from time to time at the request of the other, and without further consideration, all such further instruments of assignment or assumption of rights and/or obligations as may be required in order to give effect to the transactions described herein.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

WESTAIM:

THE WESTAIM CORPORATION OF AMERICA

By: _____
Name:
Title:

AIGH:

ARENA INVESTORS GROUP HOLDINGS, LLC

By: _____
Name:
Title:

QUESTIONS? NEED HELP VOTING?

CONTACT US

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SCAN ME

KINGSDALE Advisors