

STRATEGIC ALLIANCE AGREEMENT

THIS STRATEGIC ALLIANCE AGREEMENT is dated effective as of this 31st day of August, 2023 (the "**Effective Date**").

BETWEEN:

PHARMACHOICE CANADA INC., a body corporate incorporated pursuant to the laws of Canada ("**PCC**")

AND:

PROTON CAPITAL CORP., a body corporate incorporated pursuant to the laws of Alberta ("**Proton**", and together with PCC the "**Parties**", and each of PCC and Proton are a "**Party**")

BACKGROUND

WHEREAS PCC is the sole beneficial owner and authorized licensee of the trademarks "PharmaChoice", and "Rx HealthMed" and as such, manages the promotion and merchandising programs for approximately 1050 independent member pharmacies (collectively the "**Member Pharmacies**" and individually a "**Member Pharmacy**") in Canada under the PharmaChoice and Rx HealthMed banners, among others.

AND WHEREAS, as a condition of membership in PCC, each Member Pharmacy, under a membership agreement (each a "**Membership Agreement**"), entered into between PCC, the Member Pharmacy and the owner(s) of such Member Pharmacy (the "**Principal**" or "**Principals**"), amongst other things, subscribes for (1) Class "A" common voting share in the capital stock of PCC (each a "**PCC Share**") per Member Pharmacy.

AND WHEREAS PCC has entered into a distribution agreement ("**Distribution Agreement**") with a National Pharmaceutical Distributor (as hereinafter defined).

AND WHEREAS, in an effort to protect PCC's purchase volumes, each Membership Agreement contains a right of first refusal clause ("**ROFR**") giving PCC a right to acquire a Member Pharmacy when any such Member Pharmacy elects to sell their assets or shares to a third party, all as more particularly set forth in each such Membership Agreement.

AND WHEREAS, initially outside of the ROFR, from time to time, a Member Pharmacy or the Principal(s) of a Member Pharmacy or Member Pharmacies sometimes approach PCC with a request that PCC assist such Member Pharmacy or Principal(s) to find a willing purchaser for such Member Pharmacy.

AND WHEREAS Proton is a capital pool company ("**CPC**") pursuant to the TSX Venture Exchange (the "**TSXV**"), with cash, a TSXV listing under the trading symbol: PTN.P and access to a well-functioning capital market.

AND WHEREAS Proton, as a CPC, has no commercial activities other than the identification and evaluation of business opportunities that could lead to the completion of a qualifying transaction ("**QT**"), subject to the policies of the TSXV.

AND WHEREAS, at such time as Proton has completed a QT that meets the requirements of the TSXV, Proton shall cease to be a CPC.

AND WHEREAS the Parties have determined that Proton will complete the acquisition of one or more Member Pharmacies as part of the QT.

AND WHEREAS this Agreement sets out key terms and conditions that will form the basis for the Parties to collaborate on the QT for Proton, and thereafter, the prime business objective of Proton will be to consider acquisition opportunities of which PCC has informed Proton, to exercise ROFRs under certain conditions to acquire Member Pharmacies and to acquire independent non-Member pharmacies (each such acquired pharmacy, an **"Acquired Pharmacy"** and collectively the **"Acquired Pharmacies"**), such Acquired Pharmacies to be contractually obligated to continue to operate as a Member Pharmacy which will continue to purchase [amount redacted] of their pharmaceutical purchases through the Distribution Agreement (collectively, the **"Strategic Alliance"**).

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1: INTERPRETATION

1.1 Definitions. In addition to capitalized terms and conditions defined elsewhere in this Agreement, for the purpose of this Agreement, the following capitalized terms and expressions shall have the below meanings. Capitalized terms not otherwise defined herein shall have the meaning set forth in the relevant Membership Agreement.

- (a) **"Acquired Pharmacies"** has the meaning set forth in the recitals hereto;
- (b) **"Acquisition"** has the meaning set forth in Section 2.1;
- (c) **"Acquisition Closing Date"** means the date of the successful closing of the Acquisition;
- (d) **"Acquisition Committee Mandate"** means an acquisition committee mandate to be adopted by Proton after the completion of the QT;
- (e) **"Action"** means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of assessment, notice of reassessment, proceeding, litigation, summons, subpoena or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise, whether at law or in equity;
- (f) **"Agreement"** means this Strategic Alliance Agreement, as the same may be subsequently amended, restated or supplemented from time to time;
- (g) **"Applicable Laws"** means applicable statutes, regulations, by-laws, rules, orders, decisions, directions, codes, ordinances or judgments, as from time to time enacted or amended, in each case of any Governmental Entity having jurisdiction over a Party, this Agreement or the performance hereof, and includes the policies, rules and regulations of the TSXV;

- (h) **"Board"** has the meaning given in Section 4.1;
- (i) **"Business Day"** means any day other than a Saturday or Sunday or any other day which shall be a statutory or civic holiday or day on which banking institutions are closed in the Province of Saskatchewan;
- (j) **"Change of Control"** means if voting shares of a Party are acquired by a Person, or group of Persons acting jointly and in concert, that together give such Person(s) the right or ability to elect a majority of the directors of such Party; provided that such trigger shall only apply to the first instance where such Person(s) have acquired such right or ability to elect a majority of the directors of such Party; and provided further that such trigger shall not apply to any Person(s) who hold such voting shares only to secure an obligation owed such Person(s) by the registered holder(s) of such voting shares with such exception applying only for so long as such voting shares are held as collateral security by such Person(s);
- (k) **"Closing"** means the closing of the QT as contemplated by this Agreement and the policies of the TSXV, including the issuance of a Final QT Exchange Bulletin;
- (l) **"Closing Date"** means the date upon which Closing occurs;
- (m) **"Common Share Ownership Guidelines"** means the Common Share Ownership Guidelines in substantially the same form as that attached hereto as Schedule C;
- (n) **"Confidential Information"** means confidential or proprietary information of the discloser thereof, exchanged by or between PCC and Proton and their respective Representatives pursuant to this Agreement or any other agreement entered into by or between PCC and Proton in support of the Strategic Alliance, and includes information in respect of any current business of such Person, any Member Pharmacy, or their respective intellectual property, trade secrets, work, inventions, patents, designs, methods, improvements, know-how, marketing strategies, business plans, customer lists, financial statements, projections, employee information, client information, personal information and any other information in respect of any confidential or proprietary matters of such person or any of their affiliates, and whether or not marked, designated or otherwise identified as "confidential", but excluding information which:
 - (i) either at the time of disclosure or subsequent thereto, is generally available to and known by the public, other than as a result of a breach of this Agreement or disclosure by some other unlawful means;
 - (ii) was or becomes available to a Party on a non-confidential basis from a source not connected with this Agreement or the matters contemplated hereby, and that source is not bound by a confidentiality agreement in respect of such Confidential Information or is not otherwise prohibited from disclosing such information;
 - (iii) was known by, or in the possession of, the receiving Party or its Representatives before being disclosed by or on behalf of the disclosing Party;

- (iv) was or is independently developed by the receiving Party without reference to or use, in whole or in part, of any of the disclosing Party's Confidential Information; or
- (v) is required to be disclosed by a Party pursuant to any Applicable Laws or a valid direction, order, or request of any Governmental Entity;
- (o) **"Control Person"** has the meaning set forth in *The Securities Act, 1988* (Saskatchewan);
- (p) **"CPC"** has the meaning set forth in the recitals hereto;
- (q) **"Distribution Agreement"** has the meaning set forth in the recitals hereto, and includes any successor or replacement distribution agreement thereto that provides for the fulfilment of Pharmaceutical Purchases by Member Pharmacies;
- (r) **"Equity Based Compensation"** means restricted share units, deferred share units and performance share units issued by Proton under the Equity Incentive Plan;
- (s) **"Equity Incentive Plan"** means the Equity Incentive Plan, in substantially the same form as that attached hereto as Schedule E;
- (t) **"Executive Officer"** means, in relation to a Party, the Chair of the board of directors of such Party and any Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, Chief Technology Officer, Chief Information Officer, any other "C-Suite" officer of the Party, or any individual, whether or not appointed as an officer of such Party, if such individual acts in a similar capacity to the forgoing offices;
- (u) **"Final QT Exchange Bulletin"** means the bulletin issued by the TSXV following the Closing of the QT and the submission of all required documentation and that evidences the final TSXV acceptance of the QT;
- (v) **"Final QT Exchange Bulletin Date"** means the date that the Final QT Exchange Bulletin is issued by the TSXV;
- (w) **"GAAP"** means Canadian generally accepted accounting principles for public companies as adopted by the chartered professional accountants of Canada from time to time;
- (x) **"Governmental Entity"** means any:
 - (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank or Tribunal;
 - (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or
 - (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (y) **"License Agreement"** means the License Agreement in substantially the same form as that attached hereto as Schedule A;

- (z) **“LOI”** means the Letter of Intent dated April 20, 2023 among PCC and Proton;
- (aa) **“Material Adverse Change”**, when used in connection with either Party, means any change, effect, development, event or occurrence that, individually or in the aggregate, is or would reasonably be expected to be material and adverse to the business, properties, assets, operations, condition, affairs, liabilities (contingent or otherwise) or obligations (whether absolute, conditional or otherwise) of such Party and its subsidiaries taken as a whole, other than any change, effect, event or occurrence:
 - (i) relating to the announcement of the execution of this Agreement or relating to the QT or other transactions contemplated by this Agreement;
 - (ii) relating to a decrease in the market price of such Party's common shares on any stock exchange (it being understood that, if the cause or causes of any decrease, in and of itself or themselves, is otherwise a Material Adverse Change, then such decrease may be taken into consideration when determining whether a Material Adverse Change has occurred);
 - (iii) relating to any change in global, national or regional political conditions (including the outbreak or escalation of war or acts of terrorism) or in general economic, business, regulatory, political, or market conditions or in national or global financial, currency, securities or credit markets;
 - (iv) relating to any effect resulting from an act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof);
 - (v) relating to any natural disaster or epidemic, pandemic or disease outbreak (including the COVID-19 virus/public health emergencies as declared by the World Health Organization);
 - (vi) relating to any generally applicable change in Applicable Laws (other than orders, judgments or decrees against a Party or a subsidiary of a Party) or in GAAP, in each case, to the extent necessary; or
 - (vii) relating to any action taken by Proton or PCC that is required or contemplated by this Agreement;

provided, however, that the effect referred to in clauses (iii), (iv), (v) or (vi) above does not primarily relate to (or have the effect of primarily relating to) the Party or the Party's subsidiaries, taken as a whole, or disproportionately adversely affect the Party and the Party's subsidiaries, taken as a whole, compared with other companies of a similar size operating in the industry and jurisdiction in which that Party and that Party's subsidiaries operate;

- (bb) **“Material Adverse Effect”**, when used in connection with either Party, means any change, effect, development, event or occurrence that has an effect that is, or would reasonably be expected to cause a Material Adverse Change with respect to such Party and its subsidiaries taken as a whole;

- (cc) **"Member Pharmacy"** means a Member as defined in the Membership Agreement and includes, other than PCC, Proton or a Principal, any individual, corporation or other entity that is, at the time, a party to a valid and current Membership Agreement;
- (dd) **"Membership Agreement"** has the meaning set forth in the recitals hereto;
- (ee) **"National Pharmaceutical Distributor"** means a nationally recognized and Health Canada licensed distributor of pharmaceutical products in Canada;
- (ff) **"Option"** means a stock option issued by Proton under the Stock Option Plan;
- (gg) **"Parties"** and **"Party"** has the meaning set forth in the recitals hereto;
- (hh) **"PCC"** means PharmaChoice Canada Inc., a body corporate incorporated pursuant to the laws of Canada;
- (ii) **"PCC Share"** has the meaning set forth in the recitals hereto;
- (jj) **"Permissible Third Party"** has the meaning set forth in the Right of First Refusal Agreement;
- (kk) **"Permissible Transaction"** means a Proposed Transaction with a Permissible Third Party;
- (ll) **"Person"** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, company, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;
- (mm) **"Pharmaceutical Purchases"** means the purchases under the Distribution Agreement of any drug, substance or product requiring the prescription and/or supervision of a physician, or the dispensation of which requires the specific control of a licensed pharmacist. This includes all drugs listed in Schedule C and D to the Food and Drugs Act, the Prescription Drug List established under subsection 29.1(1) of the Food and Drugs Act, a controlled drug or a narcotic and including, without limitation, insulin, vaccines and other refrigerated medicine and injectables. The term "Pharmaceuticals" may also come to include new bio-tech drugs as they are introduced, as per mutual agreement.
- (nn) **"Principal"** means any individual, corporation or other entity that is, at the time in question, a party to a valid and current Membership Agreement and defined as such in such Membership Agreement;
- (oo) **"Proposed Transaction"** has the meaning set forth in the Right of First Refusal Agreement;
- (pp) **"Proton"** means Proton Capital Corp., a body corporate incorporated pursuant to the laws of Alberta, and its successors and permitted assigns;
- (qq) **"Proton Master Membership Agreement"** means the Master Membership Agreement in substantially the same form as that attached hereto as Schedule F;

- (rr) **“Proton Private Placement”** has the meaning set forth in Section 3.2;
- (ss) **“Proton Share”** means a common share in the capital of Proton;
- (tt) **“QT”** has the meaning set forth in the recitals hereto;
- (uu) **“Right of First Refusal Agreement”** means the Right of First Refusal Agreement in substantially the same form as that attached hereto as Schedule B;
- (vv) **“Representatives”** means, with respect to either Party, its affiliates and its and their respective directors, officers, employees, agents and professional advisors (including accountants, lawyers and financial advisors). For certainty, neither Party shall be a Representative of the other;
- (ww) **“ROFR”** has the meaning set forth in the recitals hereto;
- (xx) **“Strategic Alliance”** has the meaning set forth in the recitals hereto;
- (yy) **“Standstill End Date”** means October 21, 2025;
- (zz) **“Stock Option Plan”** means the Stock Option Plan in substantially the same form as that attached hereto as Schedule D;
- (aaa) **“Term”** has the meaning given in Section 11.1; and
- (bbb) **“TSXV”** means the TSX Venture Exchange.

1.2 Interpretation Not Affected by Headings, etc. The division of this Agreement into sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references in this Agreement to a “Section” followed by a number and/or a letter refer to the specified section of this Agreement, and all references in this Agreement to an Schedule followed by a letter refer to the specified Schedule to this Agreement. Unless otherwise indicated, the terms “this Agreement”, “hereof”, “herein”, “hereunder” and “hereby” and similar expressions refer to this Agreement (including the Schedules hereto), as amended or supplemented from time to time pursuant to the applicable provisions hereof, and not to any particular section or other portion hereof.

1.3 Currency. Unless otherwise indicated, all sums of money referred to in this Agreement are expressed in lawful money of Canada.

1.4 Number, etc. Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

1.5 Date For Any Action. In the event that any date on which any action is required to be taken hereunder by any of the Parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

- 1.6 Entire Agreement.** This Agreement, including the Schedules to this Agreement, and the agreements and other documents referred to herein constitute the entire agreement among the Parties and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect thereto. The Parties hereby agree that sections 21, 29(iii), 30 and 31 of the LOI shall be adopted in and shall form part of, and shall be incorporated by reference into, this Agreement. But for greater certainty, on signing and delivery of this Agreement, and save and except for Sections 21, 29(iii), 30 and 31 of the LOI which shall remain in full force and effect, the balance of the LOI shall be superseded and replaced by this Agreement. In the event of any inconsistency or conflict between this Agreement, the agreements forming the Schedules, and the LOI, this Agreement and those agreements forming the Schedules will govern and supersede the LOI in respect of such inconsistency or conflict, and this Agreement will govern and supersede any agreements forming the Schedules to the extent of any such inconsistency or conflict.
- 1.7 Accounting Matters.** Unless otherwise indicated, all accounting terms used in this Agreement shall have the meanings attributable thereto under GAAP and all determinations of an accounting nature required to be made shall be made in a manner consistent with GAAP and past practice.
- 1.8 Construction.** In this Agreement, unless otherwise indicated:
- (a) the words “include”, “including” or “in particular”, when following any general term or statement, shall not be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
 - (b) a reference to a statute means that statute, as amended and in effect as of the date of this Agreement, and includes each and every regulation and rule made thereunder and in effect as of the date hereof;
 - (c) the phrase “ordinary course of business”, or any variation thereof, of any Person refers to the business of such Person, carried on in the regular and ordinary course consistent with past practice, including commercially reasonable and businesslike actions that are in the regular and ordinary course of business for a company operating in the industry in which such business is conducted;
 - (d) where a word, term or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning; and
 - (e) time is of the essence.
- 1.9 Knowledge.** In this Agreement, the phrase “to the knowledge of” any Person, “to the best knowledge of” any Person, “known to” any Person, “of which it is aware” or any similar phrase means, unless otherwise indicated, (i) with respect to any Person who is an individual, the actual knowledge of such Person, and (ii) with respect to any Person who is not an individual, the actual knowledge of the senior officers and directors of such Person after reasonable enquiry, and to the extent that such reasonable enquiry was not conducted, includes the knowledge that a reasonable Person would have had if such reasonable enquiry had been conducted.

1.10 Schedules. The following Schedules are annexed to this Agreement and are hereby incorporated by reference into this Agreement and form an integral part hereof:

- Schedule A - License Agreement**
- Schedule B - Right of First Refusal Agreement**
- Schedule C - Common Share Ownership Guidelines**
- Schedule D - Stock Option Plan**
- Schedule E - Equity Incentive Plan**
- Schedule F - Proton Master Membership Agreement**

ARTICLE 2: STRATEGIC ALLIANCE

- 2.1 Strategic Alliance.** As the first part of a two (2) part transaction QT, the Parties wish to set out in this Agreement the framework by which the Parties will form the Strategic Alliance. The second part of the QT will be the identification and acquisition by Proton of a Member Pharmacy or Member Pharmacies as set forth in the LOI and pursuant to the TSXV policies (the “**Acquisition**”). PCC shall cooperatively assist Proton, as and when requested by Proton, with the negotiation of the definitive agreement(s) necessary to complete the Acquisition and QT.
- 2.2 Permissible Transactions.** The Parties acknowledge that Permissible Transactions are not caught by, and therefore occur outside of, the ROFR. Notwithstanding that a Permissible Transaction is not subject to the ROFR, if such Permissible Transaction fails to close, for whatever reason, PCC shall, with consent from the applicable Member Pharmacy, forward notice of such Permissible Transaction to Proton. Moreover, unless restricted from doing so, PCC shall use reasonable commercial efforts to obtain consent from such Permissible Third Party for the provision to Proton of the transaction metrics of such Permissible Transaction, and upon receipt of such consent, shall provide, on a confidential basis, such transaction metrics to Proton.
- 2.3 Right of First Refusal Agreement.** In furtherance of the Strategic Alliance, the Parties agree that concurrent with the Effective Date, they shall enter into and execute the Right of First Refusal Agreement, and such agreement shall be held in trust in escrow by counsel for each of the Parties until the completion of the QT, at which time such agreement shall be released from trust and escrow and delivered to each of the Parties.
- 2.4 License Agreement.** In furtherance of the Strategic Alliance, the Parties agree that concurrent with the Effective Date, they shall enter into and execute the License Agreement, and such agreement shall be held in trust in escrow by counsel for each of the Parties until the completion of the QT, at which time such agreement shall be released from trust and escrow and delivered to each of the Parties.
- 2.5 Proton Master Membership Agreement.** In furtherance of the Strategic Alliance, the Parties agree that concurrent with the Effective Date, they shall enter into and execute the Proton Master Membership Agreement, and such agreement shall be held in trust in escrow by counsel for each

of the Parties until the completion of the QT, at which time such agreement shall be released from trust and escrow and delivered to each of the Parties.

2.6 Disclaimer of Partnership, Agency and Other Relationships. Save as otherwise expressly provided for in the Right of First Refusal Agreement or in this Agreement, nothing contained in this Agreement will be deemed to:

- (a) constitute the Parties as partners;
- (b) allow one of the Parties to act as an agent for the other; or
- (c) create any other relationship by which either Party could be held liable for any act or omission of the other.

Save as otherwise expressly provided for in the Right of First Refusal Agreement or in this Agreement, neither Party will have any authority to incur any obligation on behalf of the other Party.

2.7 Further Assurances. Each Party hereto shall, with reasonable diligence, do or cause to be done all acts and things and shall provide such reasonable assurances as may be required by the other Party from time to time to consummate and give full force and effect to this Agreement and each Party agrees to provide such further documentation or instruments required by the other Party as may be reasonably necessary or desirable to effect the purpose and intent of this Agreement and to complete the provisions of this Agreement.

2.8 Termination of Scheduled Agreements. Unless the Parties otherwise agree in writing, if the QT is not completed by the Standstill End Date, then the Right of First Refusal Agreement, the Master Membership Agreement and the License Agreement (collectively, the “**Scheduled Agreements**”) shall on such date be terminated and be void *ab initio*, and each Party shall be relieved from all obligations under the Scheduled Agreements and neither Party shall seek any remedy against the other Party, at law or in equity or otherwise and neither Party shall seek to obtain any recovery, judgment or damages of any kind, including consequential, indirect or punitive damages, against the other Party or any of its Representatives or affiliates in connection with the Scheduled Agreements or the transactions contemplated thereby.

ARTICLE 3: CORPORATE MATTERS

3.1 Proton Corporate Name. The Parties agree that on or before the Closing of the QT, and subject to Proton shareholder approval to be obtained concurrent with the Closing of the QT, the corporate name of Proton shall be changed to “PharmaCorp Rx Inc.”. PCC covenants and agrees to cooperate with Proton regarding such name change and to do or cause to be done all acts and things as may be required by Proton to complete and effect such name change.

3.2 Proton Private Placement. On or before the Closing of the QT, Proton will complete a brokered and/or non-brokered private placement offering of Proton securities for gross proceeds of at least \$15,000,000 priced in the context of the market (the “**Proton Private Placement**”). The use of proceeds of the Proton Private placement will be to finance the funding of the QT, future acquisitions of Acquired Pharmacies and general working capital. The following Persons will have

the non-exclusive opportunity, but not the obligation, to participate in the Proton Private Placement:

[categories of potential investors redacted].

The Parties acknowledge that, Proton, in consultation with PCC, may limit the amount of Proton securities issued to any person under the Proton Private Placement, including to comply with Applicable Laws or to avoid the creation of an insider or a control person pursuant to Applicable Laws.

3.3 Equity Incentive Plan and Option Plan. The Parties agree that on or before the Closing of the QT:

- (a) The Equity Incentive Plan shall be adopted by Proton as the Equity Incentive Plan of Proton; and
- (b) The Stock Option Plan has been approved and adopted as the Stock Option Plan of Proton.

3.4 Proton Share Ownership Guidelines. The Parties agree that on or before the Closing of the QT, Proton shall amend its by-laws to include the Common Share Ownership Guidelines.

3.5 Purchases under the Distribution Agreement. The Acquired Pharmacies of Proton shall purchase their Pharmaceutical Purchases pursuant to the Distribution Agreement.

3.6 Auditor: Subject to the re-approval of the Proton shareholders, the auditor of Proton shall be MNP LLP, Chartered Accountants, or as may be determined by the Parties.

ARTICLE 4: GOVERNANCE OF PROTON

4.1 Board of Directors of Proton. On or before the Closing of the QT, and subject to the requirements and approval of the TSXV and Proton shareholder approval, the Board of Directors of Proton shall be comprised of seven (7) directors as follows (collectively, the “**Board**”): Alan Simpson (Executive Chairperson), Dwayne Anderson, Grady Brown, Calvin LeRoux, Ken Brownell, James Dumont, and Grant Hladun.

4.2 Committees. On or before the Closing of the QT, the Board of Directors of Proton shall establish the following committees: Audit Committee, Corporate Governance and Compensation Committee, and Acquisition Committee. The committee members of each committee shall, unless and until otherwise agreed to by the Board, be as follows:

- (a) Audit Committee: Alan Simpson, James Dumont, and Calvin LeRoux;
- (b) Acquisition Committee: Dwayne Anderson (Chairman), James Dumont, Brad Elliott, Calvin LeRoux, Kristin Watt, Alan Simpson, Grady Brown and Ken Brownell.
- (c) Corporate Governance and Compensation Committee: Calvin LeRoux (Chairman), Grady Brown, Dwayne Anderson, and Alan Simpson.

4.3 Executives of Proton. On or before the Closing of the QT and subject to the requirements of the TSXV, Proton shall appoint the following individuals to key executive positions as set out below or as otherwise agreed to by the Parties:

- (a) Chief Executive Officer: Grady Brown
- (b) President: Calvin LeRoux
- (c) Chief Financial Officer: Terri Tatchell
- (d) Chief Operating Officer: Paul Dale
- (e) Corporate Secretary: Kim Carroll

4.4 Continuance with PCC. The Parties acknowledge that, subject to the requirements and approval of the TSXV, the directors and executive officers appointed or elected to the Proton offices in Sections 4.1 and 4.3 herein who are also directors or officers of PCC shall continue in their respective roles with PCC.

4.5 Compensation. Unless and until otherwise changed by the Board:

- (a) **Proton Executive Officers, Directors, Employees, Consultants and Committee Members.** The compensation of Proton's executives, directors, employees, consultants and committee members shall be aligned with the interests of Proton's shareholders and shall consist of a combination of cash, Options, and Equity Based Compensation in an amount designated by Proton's Corporate Governance and Compensation Committee and the Proton Board of Directors. It is expected that the primary form of compensation for such Persons shall be Options and Equity Based Compensation.
- (b) **Partner Pharmacists.** The recruitment and retention of managing partner pharmacists shall include cash, Options and Equity Based Compensation in such amounts designated by Proton's Corporate Governance and Compensation Committee and the Board.

4.6 Acquisition Committee Mandate. The Parties agree that the Acquisition Committee Mandate shall, as soon as possible following the Closing of the QT, be adopted by the Board and shall govern the duties and obligations of the Acquisition Committee.

ARTICLE 5: REPRESENTATIONS AND WARRANTIES OF PCC

5.1 PCC represents and warrants to Proton as follows, and acknowledges and agrees that Proton is relying upon the representations and warranties in connection with its execution of the Agreement, that as of the Effective Date:

- (a) **Corporate Status.** PCC is a corporation incorporated and existing under the laws of Canada and has not been discontinued or dissolved under such laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution.
- (b) **Enforceability of Obligations.** This Agreement has been duly executed and delivered by PCC and constitutes a valid and binding obligation of PCC, enforceable against it in

accordance with the terms of this Agreement, subject to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

- (c) **Authorization.** PCC has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by PCC of this Agreement and the documents to be delivered hereunder and the consummation by PCC of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of PCC.
- (d) **Membership Agreement.** Each Membership Agreement entered into on or before the Effective Date has been duly entered into, executed and is valid and binding on PCC in accordance with its terms and is in full force and effect.
- (e) **Distribution Agreement.** A Distribution Agreement has been duly entered into with a National Pharmaceutical Distributor, on terms acceptable to the Parties, and such Distribution Agreement is valid and binding on PCC and such National Pharmaceutical Distributor, in accordance with its terms, and is in full force and effect.
- (f) **Subsidiaries.** Other than Laurentian Laboratories (1996) Inc., PCC has no Subsidiaries (as such term is defined in *The Securities Act, 1988* (Saskatchewan)).
- (g) **No Conflicts.** None of the execution and delivery of this Agreement by PCC or the consummation of any of the transactions provided for in this Agreement will: (a) result in or constitute a breach of any term or provision of, or constitute a default under, any agreement, indenture, mortgage, lease, obligation, instrument, charter or bylaw provision or other commitment to which PCC is a party or which affects the PCC Shares; or (b) violate, contravene or breach any Applicable Laws.
- (h) **No Claims.** There are no actions, suits, claims, investigations or other legal proceedings pending or, to PCC's knowledge, threatened against or by PCC that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.
- (i) **No Other Agreements to Purchase.** Except for Proton's right under this Agreement, to PCC's knowledge, no Person or entity has any written or oral agreement, option or warrant or any right or privilege (whether by applicable law, pre-emptive or contractual) capable of becoming such for the purchase or acquisition of a Member Pharmacy in priority to PCC's rights pursuant to the ROFR.
- (j) **Consents.** No consent, approval, waiver or authorization, including under any material contract, is required to be obtained by PCC from any person or entity (including any Governmental Entity) in connection with the execution, delivery and performance by PCC of this Agreement and the consummation of the transactions contemplated hereby.
- (k) **Absence of Certain Changes or Events.** Since December 31, 2022, other than the transactions contemplated in this Agreement, the business of PCC has been conducted

only in the ordinary course of business and there has not occurred a Material Adverse Effect in the business or affairs of PCC.

- (l) **Compliance with Laws.** To PCC's knowledge, PCC has complied, and is now complying, with all Applicable Laws applicable to it or its business, properties or assets.
- (m) **No Other Representations and Warranties.** Except for the representations and warranties contained in this Agreement, or in any agreement referred to herein, neither PCC nor any agent, officer, director, employee or representative of PCC, nor any other person on behalf of PCC makes or shall be deemed to make any representation or warranty with respect to PCC, either written or oral, including any representation or warranty as to the accuracy or completeness of any information regarding PCC furnished or made available to the Proton, or any representation or warranty arising from statute or otherwise in law.

ARTICLE 6: REPRESENTATIONS AND WARRANTIES OF PROTON

6.1 Proton represents and warrants to PCC as follows, and acknowledges and agrees that PCC is relying upon the representations and warranties in connection with its execution of the Agreement, that as of the Effective Date:

- (a) **Corporate Status.** Proton is a corporation incorporated and existing under the laws of Alberta and has not been discontinued or dissolved under such laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution.
- (b) **Enforceability of Obligations.** This Agreement has been duly executed and delivered by Proton and constitutes a valid and binding obligation of Proton, enforceable against it in accordance with the terms of this Agreement, subject to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- (c) **Authorization.** Proton has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Proton of this Agreement and the documents to be delivered hereunder and the consummation by Proton of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Proton.
- (d) **No Conflicts.** None of the execution and delivery of this Agreement by Proton or the consummation of any of the transactions provided for in this Agreement will: (a) result in or constitute a breach of any term or provision of, or constitute a default under, any agreement, indenture, mortgage, lease, agreement, obligation, instrument, charter or by law provision or other commitment to which Proton is a party; or (b) violate, contravene or breach any Applicable Laws.
- (e) **No Claims.** There are no actions, suits, claims, investigations or other legal proceedings pending or, to Proton's knowledge, threatened against or by Proton that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

- (f) **Absence of Certain Changes or Events.** Since December 31, 2022, other than the transactions contemplated in this Agreement, the business of Proton has been conducted only in the ordinary course of business and there has not occurred a Material Adverse Effect in the business or affairs of Proton.
- (g) **Compliance with Laws.** To Proton's knowledge, Proton has complied, and is now complying, with all Applicable Laws applicable to it or its business, properties or assets.
- (h) **No Other Representations and Warranties.** Except for the representations and warranties contained in this Agreement, or in any other agreement referred to herein, neither Proton nor any agent, officer, director, employee or representative of Proton, nor any other person on behalf of Proton makes or shall be deemed to make any representation or warranty with respect to Proton, either written or oral, including any representation or warranty as to the accuracy or completeness of any information regarding Proton furnished or made available to the PCC, or any representation or warranty arising from statute or otherwise in law.

ARTICLE 7: COVENANTS

7.1 Covenants of PCC. PCC covenants and agrees that, during the Term of this Agreement, except as set forth in this Agreement, or except with the consent of Proton, such consent not to be unreasonably withheld, PCC will:

- (a) not amend, sell, terminate, abandon, transfer or otherwise dispose of any Membership Agreements, or any of its rights contained therein, any ROFR, or the Distribution Agreement, except in the ordinary course of business and except as would not have Material Adverse Effect on Proton, PCC or the transactions contemplated by this Agreement;
- (b) [covenant redacted];
- (c) not to transfer, split, combine or reclassify any of the PCC Shares owned or controlled by Member Pharmacies or Principals if such transfer, split, combination or reclassification would have a Material Adverse Effect on Proton, PCC or the transactions contemplated by this Agreement;
- (d) not adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of PCC;
- (e) not acquire or agree to acquire any of its outstanding PCC Shares owned or controlled by Member Pharmacies or Principals except in the ordinary course of business of PCC and except as would not have a Material Adverse Effect on Proton, PCC or the transactions contemplated by this Agreement;
- (f) not, except in the ordinary course of business of PCC consistent with past practice, enter into

- (i) any material contract, including for the sale of all or substantially all of the assets of PCC, or any license, franchise, lease, transaction, merger, amalgamation or other business combination with any Person; nor
- (ii) any commitment or other right or obligation or amend, modify, relinquish, terminate or fail to renew in any material contract,

if such material contract, merger, amalgamation or other business combination would have a Material Adverse Effect on PCC, Proton or the transactions contemplated by this Agreement;

- (g) other than in the ordinary course of business of PCC consistent with past practice, not to sell, option, transfer, joint venture or otherwise encumber any of its assets if any of the foregoing would have a Material Adverse Effect on Proton, PCC or the transactions contemplated by this Agreement;
- (h) not take any action that would reasonably be expected to prevent or significantly impede the QT or which would have a Material Adverse Effect on Proton or the transactions contemplated by this Agreement;
- (i) promptly advise Proton orally and, if then requested, in writing, with the full particulars of any:
 - (i) event occurring subsequent to the Effective Date that would render any representation or warranty of PCC contained in this Agreement (except any such representation or warranty which speaks as of a date prior to Effective Date), if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect;
 - (ii) a Material Adverse Change in respect of PCC; and
 - (iii) breach by PCC of any covenant or agreement contained in this Agreement; and
- (j) perform all obligations required or desirable to be performed by PCC under this Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and without limiting the generality of the foregoing, PCC shall:
 - (i) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
 - (ii) use all reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to it which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby;

- (iii) in connection with the QT and other transactions contemplated hereby, use its reasonable efforts to obtain all necessary waivers, consents and approvals required to be obtained by PCC from other parties; and
- (iv) use its best efforts to satisfy all conditions precedent set forth in Section 8.1 and Section 8.2 of this Agreement.

7.2 Covenants of Proton. Proton covenants and agrees that, during the Term of this Agreement, except as set forth in this Agreement, or except with the consent of PCC such consent not to be unreasonably withheld, Proton will:

- (a) [covenant redacted];
- (b) not adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Proton;
- (c) not reorganize, amalgamate or merge with any other Person, nor acquire or agree to acquire by amalgamating, merging or consolidating with, purchasing substantially all of the assets of or otherwise, any business of any corporation, partnership, association or other business organization or division thereof;
- (d) not enter into any material contract, agreement, license, franchise, lease transaction, commitment or other right or obligation with any Person which would have a Material Adverse Effect on PCC or the transactions contemplated by this Agreement;
- (e) not take any action that would reasonably be expect to prevent or significantly impede the QT or which would have a Material Adverse Effect on PCC or the transactions contemplated by this Agreement;
- (f) promptly advise PCC orally and, if then requested, in writing, with the full particulars of any:
 - (i) event occurring subsequent to the Effective Date that would render any representation or warranty of Proton contained in this Agreement (except any such representation or warranty which speaks as of a date prior to the Effective Date), if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect;
 - (ii) Material Adverse Change in respect of Proton; and
 - (iii) breach by Proton of any covenant or agreement contained in this Agreement;
- (g) perform all obligations required or desirable to be performed by Proton under this Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and without limiting the generality of the foregoing, Proton shall:

- (i) use all reasonable efforts to apply for, and obtain, all necessary approvals of the TSXV;
- (ii) use its reasonable commercial efforts to complete the Proton Private Placement prior to or concurrent with the Closing of the QT;
- (iii) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
- (iv) use all reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to it which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby;
- (v) in connection with the QT and other transactions contemplated hereby, use its reasonable efforts to obtain all necessary waivers, consents and approvals required to be obtained by PCC from other parties;
- (vi) use all reasonable efforts to satisfy all conditions precedent set forth in Section 8.1 and Section 8.3 of this Agreement; and
- (vii) if Proton suffers or permits a Change of Control, or a potential Change of Control is announced, communicated to Proton or being pursued by a third party, and the Board of Proton holding office immediately prior to the Change of Control or potential Change of Control does not consider such Change of Control or potential Change of Control to be in the best interests of Proton, then the Board shall evaluate and consider, on a reasonable basis, whether it is in the best interests of Proton to implement a shareholders' rights plan in response to such Change of Control or potential Change of Control.

7.3 Standstill, Break Fee and Remedies: The Parties agree sections 21, 29(iii), 30 and 31 of the LOI, including the terms, obligations, break fees, liquidated damages, remedies and other provisions of such sections, shall continue in full force and effect notwithstanding the execution, continuance, termination or expiry of this Agreement.

ARTICLE 8: CONDITIONS

8.1 Mutual Conditions. The respective obligations of the Parties to perform and complete the transactions contemplated by this Agreement are subject to the satisfaction, or waiver, on or before the Acquisition Closing Date, of each of the following conditions precedent, each of which is for the benefit of both Parties and each of which may only be waived, in whole or in part, by the mutual consent of each of the Parties:

- (a) if shareholder approval is required to complete any of the transactions contemplated herein or the QT, such shareholder approval shall have been duly obtained by each Party to which such shareholder approval is applicable;
- (b) any required approvals of the TSXV necessary to complete the transactions contemplated in this Agreement and the QT have been obtained;

- (c) this Agreement shall not have been terminated pursuant to Article 11;
- (d) all other consents, waivers, permits, orders and approvals of any Governmental Entity, in connection with, or required to permit the consummation of the QT and the other transactions contemplated herein, the failure of which would have a Material Adverse Effect on PCC or Proton or the transactions contemplated herein, shall have been obtained or received on terms that will not have a Material Adverse Effect on PCC and/or Proton or the transactions contemplated herein; and
- (e) the Acquisition Closing Date has occurred prior to the Standstill End Date.

8.2 Additional Conditions Precedent to the Obligations of Proton. The obligations of Proton to perform and complete the transactions contemplated by this Agreement are subject to the satisfaction, or waiver, on or before the Acquisition Closing Date, of each of the following conditions precedent, each of which is for the exclusive benefit of Proton and may be waived by Proton:

- (a) all covenants and agreements of PCC under this Agreement to be performed or observed on or before the Acquisition Closing Date shall have been duly performed and observed by PCC in all material respects and Proton shall have received a certificate of PCC addressed to Proton and dated the Acquisition Closing Date, signed on behalf of PCC by two directors or senior executive officers of PCC, confirming the same as at the Acquisition Closing Date;
- (b) the representations and warranties of PCC contained in this Agreement shall be true and correct in all respects (it being understood that, for the purposes of determining the accuracy of such representations and warranties, all "Material Adverse Effect" qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded) as of the date of this Agreement and as of the Acquisition Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by Proton), except where any failure or failures of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on PCC, and Proton shall have received a certificate of PCC addressed to Proton and dated the Acquisition Closing Date, signed on behalf of PCC by two directors or senior executive officers of PCC, confirming the same as at the Acquisition Closing Date; and
- (c) between the Effective Date and the Acquisition Closing Date, there shall not have occurred a Material Adverse Change to PCC.

Proton may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by it with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by Proton in complying with its obligations hereunder.

8.3 Additional Conditions Precedent to the Obligations of PCC. The obligations of PCC to perform and complete the transactions contemplated by this Agreement are subject to the satisfaction, or waiver, on or before the Acquisition Closing Date, of each of the following conditions precedent, each of which is for the exclusive benefit of PCC and may be waived by PCC:

- (a) all covenants and agreements of Proton under this Agreement to be performed or observed on or before the Acquisition Closing Date shall have been duly performed and observed by Proton in all material respects and PCC shall have received a certificate of Proton addressed to PCC and dated the Acquisition Closing Date, signed on behalf of Proton by two directors or senior executive officers of Proton, confirming the same as at the Acquisition Closing Date;
- (b) the representations and warranties of Proton contained in this Agreement shall be true and correct in all respects (it being understood that, for the purposes of determining the accuracy of such representations and warranties, all “Material Adverse Effect” qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded) as of the date of this Agreement and as of the Acquisition Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by PCC), except where any failure or failures of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on Proton, and PCC shall have received a certificate of Proton addressed to PCC and dated the Acquisition Closing Date, signed on behalf of Proton by two directors or senior executive officers of Proton, confirming the same as at the Acquisition Closing Date; and
- (c) between the date hereof and the Acquisition Closing Date, there shall not have occurred a Material Adverse Change to Proton;

PCC may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by PCC with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by PCC in complying with its obligations hereunder.

8.4 Satisfaction of Conditions. The conditions precedent set out in Sections 8.1, 8.2 and 8.3 shall be conclusively deemed to have been satisfied, waived and released on the Final QT Exchange Bulletin Date.

ARTICLE 9: CONFIDENTIALITY

9.1 Disclosure of Confidential Information. Each Party shall, and shall cause each of its Representatives to, treat all Confidential Information as confidential and may not disclose Confidential Information nor use it other than for *bona fide* purposes connected with this Agreement, the Schedules, the LOI or any other agreements or instruments to be executed and delivered pursuant to the terms hereof without the prior written consent of the other Party, except that consent is not required for disclosure to:

- (a) a Representative as long as they in turn are required to treat the Confidential Information as confidential on terms substantially the same as those set out in this Article 9 ;
- (b) accountants, professional advisers and bankers and other lenders, whether current or prospective, as long as they are subject to statutory professional secrecy rules or similar legal concepts under Applicable Laws or, in turn, are required to treat the Confidential Information as confidential on terms substantially the same as those set out in this Article 9 ;
- (c) any Governmental Entity having jurisdiction over a Party, to the extent legally required, and then only after, to the extent permitted by Applicable Law, informing the other Party thereof and, to the extent possible, with sufficient notice in advance to permit the other Party to seek a protective order or other remedy;
 - (i) any Person to the extent required by any Applicable Laws, judicial process or the rules and regulations of any recognized stock exchange and then only subject to prior consultation with the other Party and provided further that the disclosing Party only disclose such portion of the Confidential Information that it is legally required to disclose and uses it commercially reasonable efforts to obtain confidential treatment (through a sealing order or otherwise) for any Confidential Information so disclosed; or
 - (ii) any intended assignee of the rights and interests of a Party under this Agreement or to a Person intending to acquire an interest in such Party as long as the intended assignee or acquirer in turn is required by that Party to treat the Confidential Information as confidential in favour of the other Party on terms substantially the same as those set out in this Article 9 .
- (d) Notwithstanding anything to the contrary contained herein, no exercise by a Party of its rights or obligations under this Agreement shall be a breach of this Article 9.

9.2 Protection and Use of Confidential Information: A Party receiving Confidential Information shall:

- (a) protect and safeguard the confidentiality of such Confidential Information with at least the same degree of care as the receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; and
- (b) not use the disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement, the Schedules or the LOI.

9.3 Return and Destruction of Confidential Information. Unless otherwise expressly contemplated in this Agreement, upon the termination of this Agreement:

- (a) all Confidential Information of a disclosing Party which is in the possession or control of a receiving Party or its Representatives, including all Confidential Information that is physically manifest, shall be returned immediately to the disclosing Party upon its written request, and the receiving Party agrees not to, and shall cause each of its Representatives

not to, retain or share any copies, extracts or other reproductions of Confidential Information, in whole or in part;

- (b) the receiving Party shall, and shall cause each of its Representatives to, upon the written request of the disclosing Party, promptly destroy, delete, erase, or return to the disclosing Party all or any identified part of the disclosing Party's Confidential Information, and provide the disclosing Party with a written certificate, executed by a senior officer confirming that all such Confidential Information identified in such written request, has either been destroyed, deleted, erased or returned to disclosing Party; and
- (c) Notwithstanding the forgoing, it is understood and agreed by the Parties that:
 - (i) to the extent that computer systems used by the receiving Party may automatically back-up Confidential Information in the ordinary course, the receiving Party may retain such copies in their respective archival or back-up computer storage for the period such entity normally archives backed-up computer records and the receiving Party shall not be required to purge its computer or electronic archives; and
 - (ii) the receiving Party is not required to destroy Confidential Information that must be retained to comply with the receiving Party's internal corporate governance and record keeping policies and applicable laws, including stock exchange regulations or by governmental order, decree, regulation or rule;

provided, however, that such Confidential Information and copies thereof shall be subject to the terms of this Agreement until the same are destroyed and shall not be accessed, disclosed or used by the receiving Party except to the extent permitted by this Agreement (and this provision shall survive the expiry or other termination of this Agreement).

9.4 Public Statements. No public announcement or statement concerning the execution and delivery of this Agreement and the transactions contemplated by this Agreement shall be made by a Party or its Representatives without the prior written consent of the other Party (in each such case such consent not to be unreasonably withheld or delayed) unless such disclosure is required by Applicable Laws. Notwithstanding the foregoing, Proton, upon the execution of this Agreement, may be obligated to publicly disclose and/or file this Agreement pursuant to Applicable Laws. Subject to any required disclosure to be made by Proton pursuant to Applicable laws:

- (a) upon execution of the same, Proton will comply with the requirements of the confidentiality provisions set forth in Section 1 of the Proton Master Membership Agreement; and
- (b) Proton acknowledges the confidentiality provisions of Section 21 of the Distribution Agreement and that a Letter of Notification in the form of Schedule "D" as set forth in the Distribution Agreement will be provided by PCC to the current National Pharmaceutical Distributor upon the execution of the Proton Master Membership Agreement among PCC and Proton.

ARTICLE 10: INDEMNIFICATION

10.1 Survival. All representations, warranties, covenants and agreements contained herein and all related rights to indemnification shall survive the termination of this agreement for [time period redacted] following the termination date of this Agreement.

10.2 Indemnification by PCC. Subject to the other terms and conditions of this Article 10, PCC shall defend, indemnify and hold harmless Proton, its affiliates and their respective shareholders, directors, officers and employees from and against all claims, judgments, damages, liabilities, settlements, losses (including but not limited to any special, direct, indirect or consequential losses, loss of profit, loss of reputation and all other reasonable professional costs and expenses, whether or not recoverable in litigation), costs and expenses, including legal fees, disbursements and charges, arising from or relating to any:

- (a) inaccuracy in or breach of any of the representations or warranties of PCC contained in this Agreement or in any document to be delivered hereunder; or
- (b) breach or non-fulfilment of any covenant, agreement or obligation to be performed by PCC under this Agreement or any document to be delivered hereunder.

10.3 Indemnification by Proton. Subject to the other terms and conditions of this Article 10, Proton shall defend, indemnify and hold harmless PCC, its affiliates and their respective shareholders, directors, officers and employees from and against all claims, judgments, damages, liabilities, settlements, losses, costs and expenses, including legal fees, disbursements and charges, arising from or relating to any:

- (a) inaccuracy in or breach of any of the representations or warranties of Proton contained in this Agreement or in any document to be delivered hereunder; or
- (b) breach or non-fulfilment of any covenant, agreement or obligation to be performed by Proton under this Agreement or any document to be delivered hereunder.

Notwithstanding the foregoing, Sections 10.3(a) and 10.3(b) shall not apply during the period of time that:

- (c) collectively, any directors and/or Executive Officers of PCC control the board of directors of Proton; or
- (d) any Chief Executive Officer or Chief Financial Officer of PCC serves in any capacity as an Executive Officer of Proton.

10.4 Indemnification Procedures.

- (a) Whenever any claim shall arise for indemnification hereunder, the Party entitled to indemnification (the "**Indemnified Party**") shall promptly provide written notice of such claim to the other Party (the "**Indemnifying Party**"). In connection with any claim giving rise to indemnification hereunder resulting from or arising out of any Action by a person or entity who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice by the Indemnifying Party to the Indemnified Party, may

assume the defence of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defence of any such Action with its own counsel but the costs and expense of that counsel will be at the expense of the Indemnified Party unless: (i) the Indemnifying Party fails to assume the defence of the Action on behalf of the Indemnified Party within 10 business days of receiving notice of the suit; (ii) the employment of that counsel has been authorized by the Indemnifying Party; or (iii) the named parties to the Action (including any added or third parties) include the Indemnified Party and the Indemnified Party has been advised in writing by counsel that (x) there are legal defences available to the Indemnified Party that are different or in addition to those available to the Indemnifying Party or (y) that representation of the Indemnified Party by counsel for the Indemnifying Party is inappropriate as a result of the potential or actual conflicting interests of those represented. In the cases of each of this Section 10.4(i), (ii) or (iii), the Indemnifying Party will not have the right to assume the defence of the Action on behalf of the Indemnified Party, but the Indemnifying Party will be liable to pay the reasonable fees and expenses of one set of separate counsel for all Indemnified Parties in each applicable jurisdiction. If the Indemnifying Party does not assume the defence of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including, but not limited to, settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate, and the Indemnifying Party will be liable to pay the reasonable fees and expenses of one set of separate counsel for all Indemnified Parties in each applicable jurisdiction, and no action taken by the Indemnified Party in accordance with such defence and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to damages resulting therefrom. The Indemnifying Party shall not settle an Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

- (b) The Indemnifying Party hereby waives any rights it may have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming against the Indemnifying Party under this Article 10.
- (c) The Indemnifying Party agrees to reimburse the Indemnified Party monthly for the time spent by the Indemnified Party in connection with any Action at their normal *per diem* rates, together with such reasonable disbursements and out-of-pocket expenses incurred in connection therewith. The Indemnifying Party also agrees that if any Action is brought against, or an investigation commenced in respect of, the Indemnifying Party or the Indemnified Party and any Indemnified Party will be required to testify, participate or respond in respect of or in connection with this Agreement, the Indemnified Party will have the right to employ their own counsel in connection therewith and the Indemnifying Party will reimburse the Indemnified Party monthly for the time spent in connection therewith at their normal *per diem* rates together with such reasonable disbursements and out-of-pocket expenses as may be incurred, including reasonable fees and disbursements of the Indemnified Party's counsel.

10.5 Effect of Investigation. A Party's right to indemnification or other remedy based on the representations, warranties, covenants and agreements of the other Party set out herein will not

be affected by any investigation conducted by the Party entitled to indemnification, or any knowledge acquired by such Party at any time, with respect to the accuracy of, or compliance with, any such representation, warranty, covenant or agreement of the other Party.

- 10.6 Cumulative Remedies.** The rights and remedies provided in this Article 10 are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise.

ARTICLE 11: TERM AND TERMINATION

- 11.1 Term.** This Agreement shall commence on the Effective Date and continue for an indefinite term (the “**Term**”) unless and until terminated in accordance with this Article 11.

- 11.2 Termination by PCC.** PCC may terminate this Agreement, at its option and on written notice to Proton:

- (a) if Proton is in material breach of or material non-compliance with any material representation, material warranty, material condition, or material covenant of Proton under this Agreement and either the material breach or material non-compliance cannot be cured or, if the material breach or material non-compliance can be cured, it is not cured by Proton within a commercially reasonable period of time under the circumstances, in no case exceeding ninety (90) days, following Proton’s receipt of notice of such material breach or material non-compliance;
- (b) if:
 - (i) Proton makes a general assignment for the benefit of its creditors;
 - (ii) Proton ceases to carry on business in the ordinary course;
 - (iii) Proton commences or institutes any application, proceeding, or other action under any law relating to bankruptcy, insolvency, winding-up, reorganization, administration, plans of arrangement, relief or protection of debtors, compromise of debts, or similar laws, seeking:
 - A. to have an order for relief entered with respect to it;
 - B. to adjudicate it as bankrupt or insolvent;
 - C. reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, compromise, arrangement, stay of proceedings of creditors generally, or other relief with respect to it or its assets or debts; or
 - D. appointment of a receiver, interim receiver, receiver and manager, trustee, custodian, conservator, or other similar official for it or for all or any part of its assets; or

- (iv) there shall be commenced against Proton any case, proceeding, or other action of a nature referred to in clause (iii) above which:
 - A. results in the entry of an order for relief or any such adjudication or appointment; or
 - B. remains undismissed, undischarged, or unbonded for a period of thirty (30) days; or
- (c) if, without PCC's consent, at any time after the Acquisition Closing Date representatives or nominees of PCC do not occupy a majority of the available seats on Proton's board of directors (a "**Non-Majority PCC Controlled Proton Board**") provided that PCC's consent to a Non-Majority PCC Controlled Proton Board shall not be unreasonably withheld or delayed;
- (d) if, following Closing of the QT, the Master Membership Agreement is terminated by either Party; or
- (e) if Proton suffers a Change of Control and the Board of Proton holding office immediately prior to the Change of Control does not consider such Change of Control to be in the best interests of Proton,

provided that the foregoing termination provisions set forth in this Section 11.2(a), 11.2(c) and 11.2(d) shall not apply during the period of time that:

- (f) collectively, any directors and/or Executive Officers of PCC control the board of directors of Proton; or
- (g) any Chief Executive Officer or Chief Financial Officer of PCC serves in any capacity as an Executive Officer of Proton.

11.3 Termination by Proton. Proton may terminate this Agreement, at its option and on written notice to PCC:

- (a) if PCC is in material breach of or material non-compliance with any material representation, material warranty, material condition, or material covenant of PCC under this Agreement and either the material breach or material non-compliance cannot be cured or, if the material breach or material non-compliance can be cured, it is not cured by PCC within a commercially reasonable period of time under the circumstances, in no case exceeding ninety (90) days, following PCC's receipt of notice of such material breach or material non-compliance;
- (b) if:
 - (i) PCC makes a general assignment for the benefit of its creditors;
 - (ii) PCC ceases to carry on business in the ordinary course;

- (iii) PCC commences or institutes any application, proceeding, or other action under any law relating to bankruptcy, insolvency, winding-up, reorganization, administration, plans of arrangement, relief or protection of debtors, compromise of debts, or similar laws, seeking:
 - A. to have an order for relief entered with respect to it;
 - B. to adjudicate it as bankrupt or insolvent;
 - C. reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, compromise, arrangement, stay of proceedings of creditors generally, or other relief with respect to it or its assets or debts; or
 - D. appointment of a receiver, interim receiver, receiver and manager, trustee, custodian, conservator, or other similar official for it or for all or any part of its assets; or
- (iv) there shall be commenced against PCC any case, proceeding, or other action of a nature referred to in clause (iii) above which:
 - A. results in the entry of an order for relief or any such adjudication or appointment; or
 - B. remains undismissed, undischarged, or unbonded for a period of thirty (30) days; or
- (c) on ninety (90) days' written notice if the Distribution Agreement is terminated and not replaced with a new agreement for supply of pharmaceutical products within a reasonable period of time.

11.4 Termination after Standstill End Date. This Agreement may be terminated, by either Party on written notice to the other Party at any time after the Standstill End Date, if Proton has not successfully completed the QT on or before the Standstill End Date.

11.5 Termination by Mutual Agreement. This Agreement may be terminated by a written agreement executed by both Parties to terminate this Agreement. Upon termination of this Agreement pursuant to this Section 11.5, each Party shall be relieved from all obligations under this Agreement and neither Party shall seek any remedy against the other Party, at law or in equity or otherwise and neither Party shall seek to obtain any recovery, judgment or damages of any kind, including consequential, indirect or punitive damages, against the other Party or any of its Representatives or affiliates in connection with this Agreement or the transactions contemplated hereby.

11.6 Effect of Termination. Subject to Section 11.5, and except where Proton is entitled to a break fee in the amount of [amount redacted] pursuant to the LOI as a result of PCC terminating the LOI pursuant to section 29(iii) of the LOI, upon termination of this Agreement, each Party shall be entitled to seek any remedy against the other Party, at law or in equity or otherwise, including damages and/or an injunction, specific performance and other equitable relief to prevent

breaches (or threatened breaches) and either Party may seek to obtain any recovery, judgment or damages of all kinds, including consequential, indirect or punitive damages, against the other Party or any of its Representatives or affiliates in connection with this Agreement or the transactions contemplated hereby. If Proton has received a break fee from PCC in the amount of \$350,000 pursuant to the LOI, then in such event no Party shall have any right to seek any further or other remedy against the other Party.

- 11.7 Fraud, Intentional Breach or Wilful Breach.** Notwithstanding any other provision of this Agreement, nothing in this Agreement shall relieve or have the effect of relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of fraud or an intentional or wilful breach of this Agreement.

ARTICLE 12: GENERAL

- 12.1 Expenses.** Other than as set forth herein, in the LOI, or as set forth in Section 7.3, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs or expenses.

- 12.2 Assignment.** Neither Party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other Party, which consent may be given or not given at the sole unfettered discretion of the Party from whom such consent is sought.

- 12.3 Notice.** Any notice or any other communication to be given under, pursuant to or for the purpose of this Agreement shall be given in writing and delivered to the Party to whom it is to be given or mailed by electronic mail and prepaid ordinary mail addressed, or delivered by courier addressed:

(a) If given to PCC, at:
Unit 203, 303 Wellman Lane
Saskatoon, SK S7T 0J1
Attn: CEO
Email: [redacted]

(b) If given to Proton at:
3603 Selinger Crescent
Regina, SK S4V 2H7
Attn: Al Simpson
Email: [redacted]

If mailed, the notice shall be addressed as aforesaid and shall be deemed to be given on the third (3rd) Business Day following such mailing. Either Party may give notice to the other of a change of address in the manner herein set out.

- 12.4 Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

- 12.5 Recitals.** The recitals set forth in this Agreement are and for all purposes shall be interpreted as being an integral part of this Agreement, constituting acknowledgments and agreements by and between the Parties hereto, and are incorporated in this Agreement by this reference.

- 12.6 Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
- 12.7 No Third-Party Beneficiaries.** Except as provided in Article 10, this Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- 12.8 Amendment and Modification; Waiver.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- 12.9 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the province of Saskatchewan and the federal laws of Canada applicable therein.
- 12.10 Forum Selection.** Any action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be brought in the courts of the province of Saskatchewan, and each Party irrevocably submits and agrees to attorn to the exclusive jurisdiction of such courts in any such action or proceeding.
- 12.11 Choice of Language.** The Parties confirm that it is their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn in the English language only. Les Parties aux présentes confirment leur volonté expresse que cette convention, de même que tous les documents s'y rattachant, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en langue anglaise seulement.
- 12.12 Specific Performance.** The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.
- 12.13 Counterparts.** This Agreement may be executed manually or by electronic signature and in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

PHARMACHOICE CANADA INC.

By: *(signed) "Grady Brown"*

Name: Grady Brown

Title: Chief Executive Officer

PROTON CAPITAL CORP.

By: *(signed) "Alan Simpson"*

Name: Alan Simpson

Title: President