

DEFINITY FINANCIAL CORPORATION

– and –

HEALTHCARE OF ONTARIO PENSION PLAN TRUST FUND

GOVERNANCE AGREEMENT

November 23, 2021

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THIS GOVERNANCE AGREEMENT is made as of the 23rd day of November, 2021,

BETWEEN:

DEFINITY FINANCIAL CORPORATION

(the “**Company**”)

-and-

HEALTHCARE OF ONTARIO PENSION PLAN TRUST FUND

(the “**Cornerstone Investor**”)

WHEREAS the Company has completed an initial public offering of common shares (“**Shares**”) pursuant to a long form prospectus filed with the securities regulatory authorities in each of the provinces and territories of Canada (the “**IPO**”);

AND WHEREAS, pursuant to the terms of a Subscription Agreement dated May 31, 2021 among the Company, Economical Mutual Insurance Company and the Cornerstone Investor, the Company has issued to the Cornerstone Investor on a private placement basis 20,691,179 Shares (the “**Purchased Shares**”) concurrent with the closing of the IPO (the “**Cornerstone Investment**”);

AND WHEREAS the parties desire to set forth their agreements regarding the Cornerstone Investor’s rights as a significant shareholder of the Company and to provide for certain governance principles for the Company;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties hereinafter contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

ARTICLE 1 EFFECTIVENESS

1.1 Effectiveness

This Agreement shall become effective immediately upon closing of the Cornerstone Investment.

ARTICLE 2 INTERPRETATION

2.1 Defined Terms

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Affiliate**” has the meaning given to such term in Section 2.3;

“**Amending Agreement**” means the amending agreement among the Company, Economical Mutual Insurance Company and the Cornerstone Investor dated November 5, 2021 pursuant to which certain amendments were made to the Subscription Agreement;

“**Applicable Shares**” means, at any particular time, the aggregate number of Shares beneficially owned by the Cornerstone Investor and any Permitted Transferees, or over which the Cornerstone Investor and any Permitted Transferees exercise control or direction (or any combination thereof), directly or indirectly, excluding any Shares in respect of which the Cornerstone Investor or any Permitted Transferees has entered into a Derivative Transaction;

“**Automatic Concurrent Repurchase and Disposition Plan**” means a plan entered into by the Company, the Cornerstone Investor and one or more securities dealers pursuant to which the Company effects repurchases of outstanding Shares for cancellation through market purchases and the Cornerstone Investor effects market sales, each in a coordinated manner so that the percentage of issued and outstanding Shares held by the Cornerstone Investor (on a non-diluted basis) will not at any time exceed 19.9%, such purchases and sales being coordinated by a securities dealer or dealers on a fully-discretionary basis in a manner which satisfies the applicable requirements of Securities Laws for an automatic share purchase plan in respect of the Company, and an automatic share sale plan in respect of the Cornerstone Investor;

“**Board**” means the board of directors of the Company;

“**Board Observer**” has the meaning given to such term in Section 3.10(1);

“**Bought Deal**” means an Underwritten Offering made on a “bought deal” basis in one or more Canadian provinces or territories pursuant to which an underwriter has committed to purchase securities of the Company in a “bought deal” bid letter prior to the filing of a Prospectus under applicable Securities Laws or under a final Shelf Prospectus;

“**Business Day**” means a day on which banks are open for business in the City of Toronto, Ontario, other than a Saturday, Sunday or statutory holiday;

“**Canadian Securities Regulatory Authorities**” means, collectively, the securities regulatory authorities in each of the provinces and territories of Canada;

“**Company**” has the meaning given to such term in the preamble to this Agreement;

“**Competitor**” means any: (a) Person that is engaged, or any of whose Affiliates are engaged, directly or indirectly, in the business of property and casualty insurance in Canada; and (b) Person that owns 20% or more, directly or indirectly, of the outstanding equity interests (or any securities convertible into or exercisable or exchangeable for equity interests) in any Person described in clause (a) or that otherwise, to the actual knowledge of the Cornerstone Investor, exercises effective control over any Person described therein;

“**Confidential Information**” means:

- (a) all information, in whatever form communicated or maintained, whether orally, in writing, electronically, in computer readable form or otherwise, whether concerning or relating to the Company, its Subsidiaries, or its and their respective officers and employees (whether prepared by the Company or on behalf of the Company or otherwise) that is furnished to the Cornerstone Investor or its Representatives by or on behalf of the Company at any time, whether before, upon or after the execution of this Agreement, including, without limitation, information relating to the businesses, affairs, financial conditions, assets, liabilities, operations, prospects or activities of the Company and its Subsidiaries, and specifically includes, without limitation, financial information, budgets, forecasts, environmental reports, evaluations, legal opinions, identities of customers, suppliers and other contractual parties, and any information provided to the Company by third parties under circumstances in which the Company has an obligation to protect the confidentiality of such information;
- (b) all plans, proposals, reports, analyses, notes, studies, forecasts, compilations or other information, in any form, that are based on, contain or reflect any information of the nature described in paragraphs (a) of this definition, regardless of the identity of the Person preparing the same (“Notes”); and

provided that “**Confidential Information**” does not include any information that:

- (w) is developed independently by the Cornerstone Investor or its Representatives without reference to any Confidential Information;
- (x) is at the time of disclosure to the Cornerstone Investor or thereafter becomes generally available to the public, other than as a result of a disclosure by the Cornerstone Investor or any of its Representatives in breach of Section 8.2;
- (y) is or was received by the Cornerstone Investor on a non-confidential basis from a source other than the Company if such source is not, to the Cornerstone Investor’s knowledge, prohibited from disclosing the information to the Cornerstone Investor by a confidentiality agreement with, or a contractual, fiduciary or other legal obligation to, the Company or its Subsidiaries; or
- (z) was known by the Cornerstone Investor prior to disclosure under this Agreement if the Cornerstone Investor was not subject to any contractual, fiduciary or other legal confidentiality obligation in respect of such information;

“**control**” has the meaning given to such term in Section 2.3;

“**Conversion Plan**” means the Conversion Plan of Economical Mutual Insurance Company under section 237 of the *Insurance Companies Act* (Canada) and section 13 of the *Mutual Property and Casualty Insurance Company with Non-mutual Policyholders Conversion Regulations* made thereunder, providing for the “demutualization” of Economical Mutual Insurance Company;

“**Convertible Securities**” means securities which are exercisable for, convertible into or exchangeable for Shares, but excludes the IPO Over-Allotment Option and any Over-Allotment Option;

“**Cornerstone Investment**” has the meaning given to such term in the recitals to this Agreement;

“**Cornerstone Investor**” has the meaning given to such term in the preamble to this Agreement;

“**Current Three-Year Period**” means the three-year period consisting of the twelve most recently completed fiscal quarters;

“**Debt Facility**” means one or more debt facilities or commercial paper facilities which do not constitute securities with one or more banks, other institutional lenders or third party lenders, including broadly syndicated facilities, providing for borrowed money or with respect to deposits or advances of any kind, revolving credit loans, term loans, receivables financing or letters of credit or guarantees, in each case as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (and whether or not with the original administrative agent, lenders or another administrative agent or agents or other lenders and whether provided under any credit or other agreement or indenture);

“**Demand Notice**” has the meaning given to such term in Section 4.1(1);

“**Demand Registration**” has the meaning given to such term in Section 4.1(1);

“**Derivative Transaction**” has the meaning given to such term in Section 7.1(1);

“**Director**” means a director of the Company;

“**Director Election Meeting**” means any meeting of the Shareholders at which Directors are to be elected;

“**Distribution**” means a distribution of Shares to the public by way of a Prospectus under applicable Securities Laws, and the terms “**Distribute**” and “**Distributed**” have a similar meaning;

“**Distribution Expenses**” means any and all fees and expenses incident to the Company’s performance of or compliance with the terms of a Demand Registration or a Piggy-Back Registration including: (i) registration and filing fees payable to securities regulators; (ii) fees and expenses incurred complying with applicable Securities Laws; (iii) printing expenses; (iv) messenger and delivery expenses; (v) “road show” and marketing expenses; (vi) all registrars’ and transfer agents’ fees; (vii) fees and disbursements of counsel for the Company and of the Company’s independent public accountant and any other accounting firm required, including the expenses of any special audits and/or “comfort” letters required by or incidental to such performance and compliance; and (viii) fees and expenses of the underwriters, in each case other than the Selling Expenses, customarily paid by issuers or sellers of securities;

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the SEC thereunder;

“**Excluded Issuances**” has the meaning given to such term in Section 5.2(1);

“**Exercise Notice**” has the meaning given to such term in Section 5.1(3);

“**Exercise Notice Period**” has the meaning given to such term in Section 5.1(3);

“**Final Prospectus**” means the final long form prospectus of the Company filed in connection with the IPO;

“**Holder Indemnitees**” has the meaning given to such term in Section 4.6;

“**Indemnified Party**” has the meaning given to such term in Section 4.8(1);

“**Indemnifying Party**” has the meaning given to such term in Section 4.8(1);

“**Industry Average ROE**” means the trailing 12-quarter average return on equity of all Canadian property and casualty insurance companies, excluding the Company, Lloyds and all government owned entities and mortgage insurers, as published by MSA Research Inc.;

“**Initial Investor Nominee**” has the meaning given to such term in Section 3.1(2);

“**IPO**” has the meaning given to such term in the recitals to this Agreement;

“**IPO Offering Price**” means the offering price per Share offered pursuant to the IPO, as set forth in the Final Prospectus;

“**IPO Over-Allotment Option**” means any option granted to the underwriters of the IPO to acquire additional Shares to cover over-allotments, if any, and for market stabilization purposes;

“**Joinder Agreement**” means the joinder agreement among the Company, Economical Mutual Insurance Company and the Cornerstone Investor dated November 5, 2021 pursuant to which the Company became a party to the Subscription Agreement;

“**Lock-Up Period**” means, except as otherwise provided for in this Agreement, the period beginning on the date of this Agreement and ending on and including the day that is five years thereafter;

“**Lock-Up Securities**” has the meaning given to such term in Section 7.1(1);

“**Look-Back Three Year Period**” means the three-year period consisting of the twelve fiscal quarters that ended immediately prior to the commencement of the most recently completed four fiscal quarters;

“**Lost Recipient Claim Deadline**” means 11:59 p.m. (Toronto time) on the 35th month anniversary of the effective date of the Demutualization;

“**Management Departure Event**” means during any rolling 36-month period: (a) the departure from the Company of the individual who, as of the date of this Agreement, is the President and Chief Executive Officer of the Company, plus one or more of the other Specified Executives; or (b) the departure from the Company of any three of the Specified Executives; provided that for purposes of determining whether a “Management Departure Event” has occurred, the following departures shall not constitute the departure of a Specified Executive: (x) a departure of a Specified Executive from the Company due to the retirement of such individual in accordance with the Company’s established retirement practices or (y) a departure of a Specified Executive from the Company for which the Cornerstone Investor consents (such consent not to be unreasonably

withheld) that such departure shall not constitute a departure of a Specified Executive for purposes of determining whether a “Management Departure Event” has occurred;

“**Market Value**” means, with respect to the relevant date, the volume weighted average trading price per Share on the TSX during the immediately preceding five (5) consecutive trading days or, if the Shares are not listed thereon, then on such stock exchange on which the Shares are listed as may be selected by the Board acting in good faith;

“**Nominee**” means a nominee proposed for election as Director by the Company and included as a nominee for election as Director in a management information circular of the Company relating to a Director Election Meeting;

“**Non-Convertible Securities**” has the meaning given to such term in Section 5.3(1);

“**Non-Convertible Securities Exercise Notice**” has the meaning given to such term in Section 5.3(3);

“**Non-Convertible Securities Exercise Notice Period**” has the meaning given to such term in Section 5.3(3);

“**Non-Convertible Securities Offering**” has the meaning given to such term in Section 5.3(1);

“**Non-Convertible Securities Offering Notice**” has the meaning given to such term in Section 5.3(2);

“**Non-Convertible Securities Participation Right**” has the meaning given to such term in Section 5.3(1);

“**Operating ROE**” means, with respect to the relevant period, the quotient of operating net income (loss) to common shareholders divided by average common shareholders’ equity (excluding accumulated other comprehensive income) divided by the number of years within the relevant period; average common shareholders’ equity is the mean of the common shareholders’ equity at the beginning and the end of the relevant period, adjusted for significant capital transactions, as appropriate;

“**OSFI**” means The Office of the Superintendent of Financial Institutions;

“**Over-Allotment Option**” means an over-allotment option or similar option granted to one or more underwriters in connection with an Underwritten Offering, but excludes the IPO Over-Allotment Option;

“**party**” or “**parties**” means one or more of the parties to this Agreement;

“**Permitted Portion**” means the lesser of: (i) [REDACTED]% of the total fair market value (calculated based on Market Value) of the Applicable Shares; and (ii) such amount as would be necessary to permit the Cornerstone Investor to reduce its consolidated risk exposure to the Applicable Shares to an amount that does not exceed [REDACTED]% of the net asset value of all of the Cornerstone Investor’s and its Affiliates’ investment portfolio assets;

“Permitted Transferee” means any Affiliate of the Cornerstone Investor in respect of which the Cornerstone Investor directly or indirectly owns 100% of the outstanding common shares, partnership units or other voting securities of such Affiliate or, in the case of an Affiliate that is a limited partnership, in respect of which the Cornerstone Investor directly or indirectly owns 100% of the limited partnership interests and 100% of the outstanding common shares or other voting securities of the general partner(s) of such limited partnership;

“Person” means an individual, partnership, limited partnership, corporation, company, unlimited liability company, trust, unincorporated organization, association, government, or any department or agency thereof and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual;

“Piggy-Back Notice” has the meaning given to such term in Section 4.2(1);

“Piggy-Back Registration” has the meaning given to such term in Section 4.2(2);

“Piggy-Back Shares” has the meaning given to such term in Section 4.2(2);

“Plan” has the meaning given to such term in Section 6.1(1)(d);

“Pre-Emptive Right” has the meaning given to such term in Section 5.1(1);

“Pre-Emptive Right Securities” has the meaning given to such term in Section 5.1(1);

“Prospectus” means, as the context requires, a “preliminary prospectus” and/or a “prospectus” as those terms are used in the Securities Act, including all amendments and supplements thereto;

“Purchased Shares” has the meaning given to such term in the recitals to this Agreement;

“Qualifying Shares” has the meaning given to such term in Section 4.1(1);

“Reporting Package” has the meaning given to such term in Section 8.1(1).

“Registrable Shares” means the Purchased Shares and any other Shares that are issued to the Cornerstone Investor and its Permitted Transferees (to the extent they hold Shares by virtue of a Transfer of Shares from the Cornerstone Investor) by the Company pursuant to Article 5, or that are acquired by the Cornerstone Investor pursuant to its exercise of the Top-Up Right;

“Representatives” means the agents, directors, trustees, officers, employees, representatives, consultants and advisers of the Cornerstone Investor;

“Restricted Activity” has the meaning given to such term in Section 7.1(1);

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

“Securities Act” means the *Securities Act* (Ontario), and all rules, regulations, instruments and policy statements thereunder;

“Securities Laws” means securities legislation (including the Securities Act) in each of the provinces and territories of Canada, and all rules, regulations, instruments, policies, notices,

published policy statements and blanket orders thereunder or issued by one or more of the Canadian Securities Regulatory Authorities;

“**Selling Expenses**” means any and all underwriting or agents’ fees, discounts and commissions and transfer taxes, if any, attributable to a sale of Shares in connection with a Demand Registration or a Piggy-Back Registration;

“**Share Buyback Program**” has the meaning given to such term in Section 7.4(1);

“**Shareholder Information**” has the meaning given to such term in Section 4.3;

“**Shareholders**” means holders from time to time of Shares;

“**Shares**” has the meaning given to such term in the recitals to this Agreement;

“**Shelf Prospectus**” means a base shelf prospectus prepared in the form contemplated by National Instrument 44-102 – *Shelf Distributions*;

“**Specified Dilutive Transaction**” has the meaning given to such term in Section 5.2(1);

“**Specified Executives**” means, collectively, the individuals who, as of the date of this Agreement, are the President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, the Executive Vice President of Commercial Insurance, the Executive Vice President of Personal Insurance, and the Chief Risk and Actuarial Officer of the Company;

“**Specified Market Value Threshold**” means: (i) 1.25 times the IPO Offering Price during the period commencing three years after the date of this Agreement and ending three years and six months after the date of this Agreement; (ii) 1.29 times the IPO Offering Price during the period commencing three years, six months and one day after the date of this Agreement, and ending four years following the date of this Agreement; (iii) 1.33 times the IPO Offering Price during the period commencing four years and one day after the date of this Agreement, and ending four years and six months after the date of this Agreement, and (iv) 1.37 times the IPO Offering Price at any time thereafter, with the IPO Offering Price being adjusted in each case to take into account any subdivision, consolidation, reclassification or other similar change to the Shares occurring between the date of this Agreement and the date of determination;

“**Specified ROE Threshold**” means 9% for the fiscal quarter ending on September 30, 2024, December 31, 2024, March 31, 2025, June 30, 2025 and September 30, 2025, respectively; and 10% for the fiscal quarter ending on December 31, 2025 and each fiscal quarter thereafter, respectively;

“**Standstill Period**” means the period beginning on the date of this Agreement and ending on and including the day that is five years thereafter;

“**Subsequent Offering**” has the meaning given to such term in Section 5.1(1);

“**Subsequent Offering Notice**” has the meaning given to such term in Section 5.1(1);

“**Subsidiary**” has the meaning given to such term in Section 2.2;

“**Top-Up Exercise Notice**” has the meaning given to such term in Section 5.4(3);

“**Top-Up Market Purchase Exercise Notice**” has the meaning given to such term in Section 5.5;

“**Top-Up Market Purchase Notice Period**” has the meaning given to such term in Section 5.5

“**Top-Up Market Purchase Exercise Period**” has the meaning given to such term in Section 5.5;

“**Top-Up Notice Period**” has the meaning given to such term in Section 5.4(3)

“**Top-Up Notice**” has the meaning given to such term in Section 5.4(2);

“**Top-Up Right**” has the meaning given to such term in Section 5.4(1);

“**Top-Up Shares**” has the meaning given to such term in Section 5.4 (1);

“**Top-Up Threshold**” has the meaning given to such term in Section 5.4(1);

“**Transfer**”, “**Transferred**” and “**Transferring**” have the meanings given to such terms in Section 7.1(1);

“**TSX**” means Toronto Stock Exchange;

“**Underwritten Offering**” means a sale of Shares to an underwriter for reoffering to the public in Canada or a sale of Shares in Canada by a securities dealer acting as agent on behalf of the seller, in each case pursuant to a Prospectus filed with one or more Canadian Securities Regulatory Authorities, and also includes a sale of Shares to an underwriter for reoffering to the public in the United States or a sale of Shares in the United States by a dealer acting as agent on behalf of the seller, in each case pursuant to a registration statement filed with the SEC under the U.S. Securities Act;

“**U.S. Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC thereunder; and

“**Valid Business Reason**” has the meaning given to such term in Section 4.1(3).

2.2 Subsidiary and Control

- (1) In this Agreement, a Person is deemed to be a Subsidiary of another Person if it is controlled directly or indirectly by that Person and includes a Subsidiary of that Subsidiary.
- (2) For the purposes of this Agreement, a Person (the first Person) is deemed to control another Person (the second Person) if:
 - (a) the first Person, directly or indirectly, beneficially owns or exercises control or direction (including by way of agreement or arrangement) over securities of the second Person carrying votes which, if exercised, taking into account any rights of the first Person under such agreement or arrangement, as applicable, would entitle the first Person to elect or direct or cause the election of a majority of the directors

or trustees, as applicable, of the second Person, unless that first Person holds the voting securities only to secure an obligation;

- (b) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership; or
- (c) the second Person is a limited partnership and the general partner of the limited partnership is the first Person;

and for greater certainty a Person (the first Person) who controls another Person (the second Person) also controls all Persons that the second Person controls.

2.3 Affiliate

In this Agreement, and subject to the provisions of Section 2.2, a Person is deemed to be an Affiliate of another Person if one is a Subsidiary of the other, or if both are Subsidiaries of the same Person, or if each of them is controlled by the same Person.

2.4 Rules of Construction

Unless the context otherwise requires, in this Agreement:

- (a) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “Article”, “Section” or “Exhibit” followed by a number or letter refer to the specified Article or Section of or Exhibit to this Agreement;
- (c) the division of this Agreement 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 Agreement;
- (d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;
- (e) the word “including” is deemed to mean “including without limitation”;
- (f) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time;
- (g) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;
- (h) all dollar amounts refer to Canadian currency unless otherwise stated;
- (i) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends;

- (j) whenever any action is required to be taken or period of time is to expire on a day other than a Business Day, such action shall be taken or period shall expire on the next following Business Day; and
- (k) the word “day” means calendar day unless Business Day is expressly specified.

2.5 Entire Agreement

This Agreement, the Subscription Agreement, the Amending Agreement and the Joinder Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral, between the parties, including the Confidentiality Agreement (which is being concurrently terminated with the execution of this Agreement and will be of no further force and effect). There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, between the parties relating to the subject matter hereof except as specifically set forth in this Agreement, the Subscription Agreement, the Amending Agreement or the Joinder Agreement.

2.6 Time of Essence

Time is of the essence of this Agreement.

2.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

2.8 Submission to Jurisdiction

Each party agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of the Province of Ontario, waives any objection which it may have now or hereafter to the venue of any such action or proceeding and irrevocably submits to the non-exclusive jurisdiction of such courts in any such action or proceeding.

2.9 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the end that transactions contemplated hereby are fulfilled to the extent possible.

2.10 Cornerstone Investor References

Any reference to the Cornerstone Investor includes, where the context permits, all Permitted Transferees of the Cornerstone Investor and any successor thereto resulting from any reorganization of or including the Cornerstone Investor or Permitted Transferee or any continuance

under the laws of another jurisdiction, in each case so long as such transaction is made in compliance with the terms of this Agreement.

2.11 Schedules

The following Schedule is attached to and forms an integral part of this Agreement:

Error! - Registration Rights Procedures
Reference
source not
found.

ARTICLE 3 BOARD NOMINATION RIGHTS

3.1 Size and Composition of the Board

- (1) The Board will be comprised of between seven and 21 members, with the number of Directors within such range to be as determined by the Board from time to time. As of the closing of the IPO and the purchase and sale of the Purchased Shares pursuant to the Cornerstone Investment, the Board will be comprised of 10 members.
- (2) At any time following the closing of the IPO and prior to the first Director Election Meeting, the Cornerstone Investor may provide written notice to the Company designating such number of individuals for appointment to the Board as is equal to the number of Nominees the Cornerstone Investor would have been entitled to designate pursuant to Section 3.2 had the Cornerstone Investor been notified at such time by the Company of a Director Election Meeting in accordance with Section 3.3 as if a Director Election Meeting were about to take place (any such individual, an “**Initial Investor Nominee**”), and, subject to the satisfaction by any such Initial Investor Nominee of the qualifications for appointment to the Board under Section 3.5, the Company shall appoint, as soon as reasonably practicable, any such Initial Investor Nominee to the Board.

3.2 Designation of Nominees

- (3) Subject to Section 3.2(2), in respect of any Director Election Meeting:
 - (a) for so long as the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to or greater than 17.5% of the issued and outstanding Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 3.3, the Cornerstone Investor shall be entitled to designate (i) one Nominee, if the Board has determined to set the number of Directors at less than 10 members; (ii) two Nominees, if the Board has determined to set the number of Directors at between 10 and 16 members; and (iii) three Nominees, if the Board has determined to set the number of directors at between 17 and 21 members; and

- (b) for so long as the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to or greater than 10% but less than 17.5% of the issued and outstanding Shares (on a non-diluted basis) at the time such nomination is delivered in accordance with Section 3.3, the Cornerstone Investor shall be entitled to designate one Nominee.

- (4) In the event that at any time the number of Directors nominated on the direction of the Cornerstone Investor and serving on the Board exceeds the number of Nominees that the Cornerstone Investor is entitled to designate under Section 3.2(1)(a) or Section 3.2(1)(b), as applicable, because the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to a percentage of the issued and outstanding Shares (on a non-diluted basis) that is lower than the applicable percentage of the issued and outstanding Shares contemplated by Section 3.2(1)(a) or Section 3.2(1)(b), as applicable, the Cornerstone Investor shall notify the Company promptly thereof and (a) upon the written request of the Company, cause such number of the Directors nominated on the direction of the Cornerstone Investor in excess of the number of Nominees that the Cornerstone Investor is entitled to designate to forthwith resign from the Board, and (b) if no such request is made by the Company, such Director(s) shall continue until their term expires at the next Director Election Meeting or, if earlier, they otherwise resign or cease to be qualified to act as a Director under Section 3.5; provided, however, that for purposes of this Section 3.2(2), in determining whether the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to a percentage of the issued and outstanding Shares (on a non-diluted basis) that is lower than the percentage of the issued and outstanding Shares contemplated by Section 3.2(1)(a) or Section 3.2(1)(b), as applicable, any Shares issued as a result of the Specified Dilutive Transaction that caused the Top-Up Threshold to be exceeded shall, in circumstances where the Cornerstone Investor delivers a Top-Up Exercise Notice or Top-Up Market Purchase Exercise Notice, as applicable, within the Top-Up Notice Period or Top-Up Market Purchase Notice Period, as applicable, in accordance with Section 5.4(3) or Section 5.5, as applicable, be disregarded and the Cornerstone Investor and any Permitted Transferees shall be deemed to hold the percentage of the issued and outstanding Shares (on a non-diluted basis) they would have held at such time if such Specified Dilutive Transaction had not occurred, until the earlier of: (a) either (x) the date on which the Top-Up Shares are issued and sold to the Cornerstone Investor in accordance with Section 5.4(4), or (y) the date of expiry of the Top-Up Market Purchase Exercise Period (or such earlier date on which the Cornerstone Investor purchases the maximum number of Shares set out in the Top-Up Market Purchase Exercise Notice), as applicable; (b) the date on which the Cornerstone Investor withdraws the Top-Up Exercise Notice pursuant to Section 5.4(5), as applicable; or (c) the date on which the parties mutually agree that the issuance of Top-Up Shares pursuant to the Top-Up Exercise Notice shall not be completed.

- (5) In the event that the number of members of the Board is increased between Director Election Meetings and the Cornerstone Investor is entitled to designate an additional Nominee under Section 3.2(1)(a) (taking into account any Board Observers designated by the Cornerstone Investor in lieu of a Nominee or Nominees in accordance with Section 3.10), the Cornerstone Investor shall have the right to designate an individual for appointment to the Board who satisfies the qualifications for appointment to the Board under Section 3.5 and the Company shall cause the Board to promptly appoint such

individual designated by the Cornerstone Investor to fill any available vacancy or, where no such vacancy exists, subject to applicable law, including applicable Securities Laws, the rules of any stock exchange on which the Shares are listed or the Company's constating documents, to increase the size of the Board and fill the vacancy resulting thereby with such individual designated by the Cornerstone Investor, or if not so permitted, to nominate such individual for election as a Director at the next Director Election Meeting in accordance with Section 3.3.

3.3 Nomination Procedures

- (1) As long as the Cornerstone Investor has a right to designate a Nominee under Section 3.2, the Company shall notify the Cornerstone Investor of any Director Election Meeting at least 70 calendar days prior to the scheduled date of such Director Election Meeting.
- (2) At any time following receipt of the notice provided by the Company in accordance with Section 3.3(1), but no less than 60 calendar days prior to the date of any Director Election Meeting, the Cornerstone Investor may notify the Company of the name of its proposed Nominee(s), together with the information regarding such proposed Nominee(s) that the Company is: (a) required by applicable law to include in a management information circular of the Company to be sent to Shareholders in respect of such Director Election Meeting and such other information that is consistent with the information the Company intends to publish about management Nominees in such management information circular as reasonably requested by the Company, and (b) requested or required to be provided by the Company to OSFI pursuant to, among other things, OSFI's Corporate Governance Guideline. The Cornerstone Investor shall cause any such proposed Nominee(s) to complete and submit to the Company, or the TSX (or other stock exchange on which the Shares are listed), as applicable, the documents specified in Section 3.5(3).
- (3) If the Cornerstone Investor fails to deliver notice to the Company of its designated Nominee(s) in the time prescribed in Section 3.3(2), the Cornerstone Investor shall be deemed to have designated the individual(s) previously designated as a Nominee by the Cornerstone Investor that serve(s) as a Director immediately prior to the Director Election Meeting, subject to such individual(s) satisfying the qualifications for re-election to the Board under Section 3.5, and the Company shall have no obligation, with respect to such Director Election Meeting, to include any other individual designated or proposed by the Cornerstone Investor as a nominee in the management information circular for the Director Election Meeting for which such notice was provided or to nominate any other individual designated or proposed by the Cornerstone Investor at such Director Election Meeting.
- (4) Subject to applicable law and to the satisfaction by all Nominees designated by the Cornerstone Investor of the qualifications for election to the Board under Section 3.5, the Company shall: (a) nominate for election and include in any management information circular of the Company to be sent to Shareholders in respect of any Director Election Meeting a person designated as a Nominee under Section 3.2; (b) recommend (and reflect such recommendation in any management information circular relating to any Director Election Meeting) that the Shareholders vote to elect such Nominee as a Director for a term of office expiring at the subsequent annual meeting of the Shareholders; (c) use commercially reasonable efforts to solicit and obtain proxies in favour of and otherwise

support the election of such Nominee at the applicable Director Election Meeting, each in a manner no less favourable than the manner in which the Company supports all of its other Nominees for election at the applicable Director Election Meeting; and (d) take all other commercially reasonable steps which it considers in its sole discretion may be necessary or appropriate to recognize, enforce and comply with the rights of the Cornerstone Investor under this Article ARTICLE 3.

3.4 Replacement Appointment

- (1) Subject to applicable law, including applicable Securities Laws, and the rules of any stock exchange on which the Shares are listed, if at any time a vacancy on the Board is created as a result of the death, resignation or removal of a Director that has been nominated on the direction of the Cornerstone Investor (other than pursuant to Section 3.2(2)), the Board shall appoint, as soon as reasonably practicable, as a replacement Director, an individual designated by the Cornerstone Investor in writing who satisfies the qualifications for appointment to the Board under Section 3.5, unless the Cornerstone Investor fails to designate such individual within 20 Business Days after notice to the Cornerstone Investor requesting that a replacement Director be appointed, in which case the Board shall appoint such replacement as it shall determine in its sole discretion to be appropriate.
- (2) Notwithstanding anything to the contrary in this Agreement, if at any time a Director that has been nominated on the direction of the Cornerstone Investor: (a) ceases to be qualified under Section 3.5; (b) fails to get more votes “in favour” than votes “withheld” at any uncontested Director Election Meeting; or (c) becomes a member of the board of directors, or a corresponding governing body, of any Competitor, the Cornerstone Investor shall use its best efforts to cause such Director to tender his or her resignation from the Board (and in the case of (b), such resignation to be delivered in accordance with the Company’s then applicable majority voting policy). For the avoidance of doubt, following such resignation the Cornerstone Investor shall be permitted to designate a replacement Director in accordance with Section 3.4(1).

3.5 Qualifications

- (1) Notwithstanding anything to the contrary in this Agreement, all Directors nominated on the direction of the Cornerstone Investor for election or appointment to the Board, as applicable, shall, at the time of election or appointment, as applicable, and at all times while serving on the Board: (a) satisfy the Company’s eligibility criteria of general application for Director candidates (as determined in good faith by the Board or an authorized committee thereof and including the qualification requirements to serve as a Director under the Company’s governing statute, applicable Securities Laws and the rules of any stock exchange on which the Shares are listed, respectively); (b) be independent within the meaning of such term in Section 1.4 (and, if serving as a member of the Audit Committee, Section 1.5) of National Instrument 52-110 – *Audit Committees*; and (c) not have been identified by OSFI as unsuitable to be a Director.
- (2) The Cornerstone Investor shall: (a) cooperate in good faith with the Company to ensure that all Canadian residency requirements applicable to the Board are satisfied and that any Nominees designated by the Cornerstone Investor shall be Canadian residents to the extent necessary to ensure that all Canadian residency requirements applicable to the Board are

satisfied; and (b) when designating a Nominee for election or appointment to the Board, as applicable, take into consideration the expertise and skills required by the Board at such time, together with the Board's diversity policy and objectives, and give reasonable consideration to any recommendations from the Company in connection therewith.

- (3) As a condition to the election or appointment of a Nominee designated by the Cornerstone Investor as a Director, such individual shall complete and submit: (a) a fully-completed, true and accurate copy of a director questionnaire (in a form provided by the Company) to the Company, if requested by the Company; (b) a TSX Personal Information Form (or similar form required by any stock exchange on which the Shares are listed), if required by the rules of any such stock exchange (a copy of which shall also be provided to the Company); and (c) a consent (in a form provided by the Company) to a standard background check to the Company.

3.6 Committee Participation

For so long as a Nominee designated by the Cornerstone Investor serves as a member of the Board, the Board shall designate one of the Cornerstone Investor's Nominees to serve as a member of the Audit Committee of the Board and one of the Cornerstone Investor's Nominees (who may be the same individual as the Nominee designated to serve as a member of the Audit Committee) to serve as a member of the Corporate Governance Committee of the Board, in each case provided that such individual or individuals, as applicable, satisfy all requirements under applicable Securities Laws and the rules of any stock exchange on which the Shares are listed and the generally applicable requirements of the Company's committee charter for membership on such committee.

3.7 Support by Cornerstone Investor

- (1) For so long as the Cornerstone Investor and any Permitted Transferees beneficially own, or exercise control or direction over (or any combination thereof), directly or indirectly, an aggregate number of Shares equal to not less than 10% of the issued and outstanding Shares (on a non-diluted basis), the Cornerstone Investor shall, and shall cause any Permitted Transferees to: (a) vote or cause to be voted any Shares that are beneficially owned by the Cornerstone Investor and its Permitted Transferees, as the case may be, or over which the Cornerstone Investor and its Permitted Transferees, as the case may be, exercises control or direction (or any combination thereof), directly or indirectly, in favour of the Nominees at each Director Election Meeting, provided that such slate of Nominees includes no less than the number of Nominees designated by the Cornerstone Investor as permitted pursuant to Section 3.2; or (b) upon the written direction of the Company delivered no later than two Business Days before a Directors Election Meeting, in lieu of voting in accordance with subsection (a), not vote or cause not to be voted any Shares that are beneficially owned by the Cornerstone Investor and its Permitted Transferees, as the case may be, or over which the Cornerstone Investor and its Permitted Transferees, as the case may be, exercises control or direction (or any combination thereof), directly or indirectly, in favour of any nominees for election to the Board at such Director Election Meeting other than nominees of the Company, provided that the Company has nominated a slate of nominees at such meeting and such slate includes no less than the number of Nominees designated by the Cornerstone Investor as permitted pursuant to Section 3.2 and provided for further clarity

that this subsection (b) is intended to permit, and shall not prevent, the Cornerstone Investor and its Permitted Transferees, as the case may be, from voting in favour of the election of the Nominees designated by the Cornerstone Investor.

- (2) The Cornerstone Investor shall, and shall cause any Permitted Transferees to, vote or cause to be voted any Shares that are beneficially owned by the Cornerstone Investor and its Permitted Transferees, as the case may be, or over which the Cornerstone Investor and its Permitted Transferees, as the case may be, exercises control or direction (or any combination thereof), directly or indirectly, in favour of any proposed resolution at a meeting of shareholders for the continuance of the Company under the *Canada Business Corporations Act*.

3.8 Written Consent or Resolutions

The provisions of this ARTICLE 3 applicable to Director Election Meetings shall apply *mutatis mutandis* to any written consent or resolutions of Shareholders relating to the election of Directors.

3.9 Benefits and Directors' and Officers' Insurance

- (1) Any Nominee that has been nominated as a Director by the Cornerstone Investor pursuant to Section 3.2 shall receive:
 - (a) the same benefits of director and officer insurance, and any indemnity and exculpation arrangements available generally to the other members of the Board;
 - (b) the same remuneration and expense reimbursement for his or her service as a Director as the compensation received by other non-management members of the Board; and
 - (c) such other benefits on the same basis as all other non-management members of the Board;

provided, however, that any Director that has been nominated on the direction of the Cornerstone Investor shall not be entitled to observe or participate in, and shall upon the good faith request of the Board or any committee thereof, as applicable, recuse himself or herself from, any meeting or portion thereof at which the Board or any committee thereof, as applicable, is evaluating and/or taking action with respect to (or receive copies of materials or written resolutions in connection with) the exercise of any of the Company's rights or enforcement of any of the obligations of the Cornerstone Investor under this Agreement or the Subscription Agreement.

- (2) At all times while serving on the Board, any Director that has been nominated on the direction of the Cornerstone Investor shall be required to abide by all of the Company's policies, procedures, processes, codes, rules, standards and guidelines applicable to members of the Board generally, including, without limitation, the Company's confidentiality policies and procedures, code of business conduct and ethics, securities trading policy and corporate governance guidelines, and acknowledges the duty of all Directors to act honestly and in good faith with a view to the best interests of the Company.

3.10 Board Observer Rights

- (1) For so long as the Cornerstone Investor is entitled to, but has not exercised, its right to designate one or more of the Nominees it is entitled to designate in accordance with Section 3.2(1) or one or more of the Initial Investor Nominees it is entitled to designate in accordance with Section 3.1(2), the Cornerstone Investor may designate one individual acceptable to the Company, acting reasonably, as a non-voting Board observer (the “**Board Observer**”) in lieu of each individual it would have otherwise been entitled to designate as a Nominee (including any individual designated for appointment to the Board in accordance with Section 3.2(2), as applicable) or in lieu of each individual it would have otherwise been entitled to designate as an Initial Investor Nominee in accordance with Section 3.1(2), by the giving of written notice to the Company of such designation. Subject to the Board Observer executing and delivering to the Company a board observer and confidentiality agreement acceptable to the Company, acting reasonably, which agreement shall include an agreement by the Board Observer to abide by all of the Company’s policies, codes and standards applicable to members of the Board, including the Company’s code of ethics, disclosure policy and securities trading policy, the Company shall, during the time period set forth in Section 3.10(2):
- (a) provide the Board Observer with notice, if any, of each meeting of the Board (telephonic or otherwise), in the same manner and at the same time as provided to the Board;
 - (b) provide to the Board Observer copies of all materials provided to the Board, in the same manner and at the same time as provided to the Board;
 - (c) provide to the Board Observer drafts of all resolutions proposed for signature by the Board (in lieu of a meeting) before such resolutions are so signed, in the same manner and at the same time as provided to the Board; and
 - (d) permit the Board Observer to attend each meeting of the Board (telephonic or otherwise) and, provided that no Director nominated by the Cornerstone Investor serves as a member of the Audit Committee of the Board or the Corporate Governance Committee of the Board, permit the Board Observer to attend each meeting of the Audit Committee of the Board and each meeting of the Corporate Governance Committee of the Board, respectively, in each case as an observer in a non-voting capacity,

except with respect to materials or resolutions, or parts thereof, or attendance at such portions of any such meeting (A) at which the Board or committee, as applicable, is evaluating and/or taking action with respect to (or receives copies of materials or written resolutions in connection with) the exercise of any of the Company’s rights or enforcement of any of the obligations of the Cornerstone Investor under this Agreement or the Subscription Agreement or any other transaction, proceeding or matter in which the Cornerstone Investor or any of its Affiliates or investee entities (other than the Company) are or may be interested parties and in respect of which the Board determines in good faith that such exclusion is necessary to avoid a conflict of interest, (B) in respect of which the Board or committee, as applicable, determines that such exclusion is reasonably necessary to preserve solicitor-client privilege (provided, however, that the Company shall use

commercially reasonable efforts to provide alternative, redacted or substitute documents or information in a manner that would not result in the loss of the ability to assert solicitor-client privilege), or (C) in respect of which the Board or committee, as applicable determines that such exclusion is reasonably necessary for the Company or its Subsidiaries to comply with any of their respective confidentiality obligations (provided, however, that the Company shall use commercially reasonable efforts to provide alternative, redacted or substitute documents or information in a manner that would not result in a violation of such confidentiality obligations).

- (2) The Cornerstone Investor shall be entitled to the observation rights set forth in this Section 3.10 for a period of time expiring on the date on which the Cornerstone Investor ceases to have a right to designate a Nominee under Section 3.2(1).
- (3) The Company shall not be required to pay any compensation to the Board Observer or provide any indemnification or maintain coverage under any policies of directors' and officers' insurance, in favour of the Board Observer.

3.11 Expiry of Board Nomination Right

Subject to Section 3.2(2), the Board nomination rights granted to the Cornerstone Investor pursuant to this Article 3 and the obligations of the Company in connection therewith shall terminate and be of no further force or effect on the first day following the date on which the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to less than 10% of the issued and outstanding Shares (on a non-diluted basis).

ARTICLE 4 REGISTRATION RIGHTS

4.1 Demand Registration Rights

- (1) Subject to the limitations set out in Section 4.1(2) and Section 4.1(3), following the expiry of the Lock-Up Period, upon the written request (the "**Demand Notice**") of the Cornerstone Investor, made at any time and from time to time so long as the Cornerstone Investor and any Permitted Transferees beneficially own, or exercise control or direction over (or any combination thereof), directly or indirectly, in the aggregate, not less than 10% of the issued and outstanding Shares (on a non-diluted basis), the Company will, subject to applicable Securities Laws and stock exchange requirements, use commercially reasonable efforts to file one or more Prospectuses and take such other reasonable steps as may be necessary to effect a Distribution in Canada of all or any portion of the Registrable Shares requested by the Cornerstone Investor (the "**Qualifying Shares**"), plus any other Shares to be included in such Distribution pursuant to Section 4.1(8) (a "**Demand Registration**"). The Company and the Cornerstone Investor shall cooperate in a timely manner in connection with any Demand Registration and in accordance with the procedures set forth in Schedule A in connection with each such Demand Registration. The foregoing obligations may be satisfied by the Company, in its sole discretion, through the use of a Shelf Prospectus and the applicable shelf prospectus supplement(s) (as defined in National Instrument 44-102 – *Shelf Distributions*), in which case references in this Article 4 and Schedule A to a "Prospectus" shall, as applicable, include the applicable Shelf Prospectus and the applicable supplement to a Shelf Prospectus.

- (2) Notwithstanding Section 4.1(1), the Company shall not be obliged to effect a Demand Registration:
- (a) if, within the preceding eighteen-month period, the Company has already effected two Demand Registrations pursuant to Section 4.1(1); provided, however, that a Demand Registration shall not be deemed “effected” for purposes of this Section until such time as (A) a receipt has been issued by, or deemed to be issued by, the applicable Canadian Securities Regulatory Authorities for a final Prospectus pursuant to which the Registrable Shares are to be distributed, or (B) a supplement to a Shelf Prospectus is filed pursuant to which the Registrable Shares are to be Distributed; provided however, that if the Cornerstone Investor withdraws, or does not pursue a request for a Demand Registration after (x) filing a preliminary Prospectus or supplement to a Shelf Prospectus pursuant to which the Registrable Shares are to be distributed, or (y) the entering into of an enforceable bought deal letter or an underwriting or agency agreement in connection with the Demand Registration, then such Demand Registration shall be deemed to have been effected;
 - (b) during the period ending 90 days after the date of the receipt or other decision document from applicable Canadian Securities Regulatory Authorities for the Company’s most recent Prospectus (other than a Shelf Prospectus) filed under applicable Securities Laws or from the date of Company’s most recent supplement to a Shelf Prospectus filed under applicable Securities Laws which offered equity securities;
 - (c) during any black-out periods in which insiders of the Company are restricted in trading in Shares;
 - (d) unless the Distribution of Qualifying Shares would reasonably be expected to result in gross proceeds of not less than \$50 million; or
 - (e) subject to Section 4.5, in a jurisdiction outside any of the provinces and territories of Canada.
- (3) Notwithstanding Section 4.1(1), in the event that the Board determines in its good faith judgement that any Demand Registration should not be made or continued because of a Valid Business Reason (as defined below):
- (a) the Company will have a right to postpone the filing of a Prospectus or supplement to a Shelf Prospectus until such Valid Business Reason no longer exists, provided that such postponement shall not extend for a period of more 120 calendar days from the date of receipt of the Demand Notice; or
 - (b) the Company will have the right to delay an offering pursuant to a Prospectus or supplement to a Shelf Prospectus that has been filed pursuant to a Demand Notice, or the Board may postpone amending or supplementing any previously filed Prospectus or supplement to a Shelf Prospectus pursuant to a Demand Notice until such Valid Business Reason no longer exists, provided that such withdrawal or postponement shall not extend for a period of more than 120 days;

provided that, the Company may not exercise its right pursuant to Section 4.1(3) more than once in any one-year period; and provided further that the Company will give written notice of its determination to defer filing, postpone the amendment of a Prospectus or delay an offering pursuant to a Prospectus or supplement to a Shelf Prospectus, and of the fact that the Valid Business Reason for such deferral or postponement no longer exists, in each case, promptly after the occurrence thereof.

For the purposes of this Section 4.1(3), “**Valid Business Reason**” means a determination that the effect of the filing of a Prospectus, or the filing of a supplement to a Shelf Prospectus, or conducting an offering pursuant to a Demand Registration:

- (i) would reasonably be expected to adversely affect a pending or proposed acquisition, merger, amalgamation, recapitalization, consolidation, reorganization, financing or other transaction involving the Company or its subsidiaries that is material to the Company and its subsidiaries taken as a whole or any negotiations, discussions or pending proposals with respect thereto; or
 - (ii) would require the disclosure of material non-public information that the Company has a *bona fide* business purpose for preserving as confidential.
- (4) If the Company declines to effect a Demand Registration pursuant to Section 4.1(2), then the related Demand Notice will be deemed to be withdrawn and such request will be deemed not to have been given for purposes of determining whether the Cornerstone Investor has exercised its right to a Demand Registration permitted to the Cornerstone Investor pursuant to this Section 4.1 (including the limits set forth in Section 4.1(1)).
- (5) Any Demand Notice pursuant to Section 4.1(1) hereof shall:
 - (a) specify the number of Registrable Shares that the Cornerstone Investor intends to Distribute;
 - (b) express the intention of the Cornerstone Investor to offer or cause the offering of such Registrable Shares;
 - (c) describe the nature or methods of the proposed offer and sale thereof and the jurisdictions in which such offer shall be made;
 - (d) contain the undertaking of the Cornerstone Investor to provide all such information as may be required in order to permit the Company to comply with all applicable Securities Laws in respect of the Distribution of Registrable Shares; and
 - (e) specify whether such offer and sale shall be made by an Underwritten Offering and, if so, whether on an underwritten or best-efforts agency basis.
- (6) The Cornerstone Investor may, at any time prior to the date on which the Company enters into a binding underwriting agreement or agency agreement in connection with a Demand Registration, revoke a Demand Notice in whole or in part. In the event of a complete revocation of a Demand Notice, such Demand Registration shall be deemed not to have

been requested (including for purposes of Section 4.1(2)(a)). In the event of such complete revocation, the Cornerstone Investor shall be responsible for the applicable Distribution Expenses and applicable Selling Expenses as specified in Section 4.4.

- (7) In the case of an Underwritten Offering initiated pursuant to this Section 4.1, the Company will have the right, subject to the consent of the Cornerstone Investor (which consent will not be unreasonably withheld or delayed), to select the lead underwriter or underwriters (or placement agents) to undertake the Underwritten Offering. The Company will have the right to retain counsel of its choice to assist it in fulfilling its obligations under this Section 4.1.
- (8) The Company shall be entitled to qualify for Distribution authorized but unissued Shares under any Prospectus, or supplement to a Shelf Prospectus, filed in connection with a Demand Registration; provided that, if the lead underwriter or underwriters advise the Cornerstone Investor and the Company in writing that, in their good faith opinion, the inclusion of the Shares to be Distributed by the Company in the Distribution should be limited (i) due to market conditions or (ii) because the number of Shares proposed to be Distributed is likely to have an adverse effect on the successful marketing of the Distribution (including the price range acceptable to the Cornerstone Investor), then the maximum number of Shares that the lead underwriter or underwriters advise should be Distributed will be allocated as follows: (x) first, to the number of Registrable Shares the Cornerstone Investor requested to be included in such Demand Registration; and (y) second, to the number of Shares to be Distributed by the Company, if any, that may be accommodated in such Distribution.

4.2 Piggy-Back Registration Rights

- (1) If, following the expiry of the Lock-Up Period, the Company proposes to make a Distribution, the Company will give the Cornerstone Investor written notice thereof as soon as practicable (and in any event no less than three Business Days if such distribution is not to be effected as a Bought Deal) before the anticipated filing date of the Prospectus in respect of the proposed Distribution (or (x) in the case of a Bought Deal, no less than one Business Day before the launch thereof or (y) in the case of an offering off a Shelf Prospectus, no less than one Business Days before the pricing thereof) (the “**Piggy-Back Notice**”) provided that at such time, the Cornerstone Investor and any Permitted Transferees beneficially own, or exercise control or direction over (or any combination thereof), directly or indirectly, in the aggregate, not less than 10% of the issued and outstanding Shares (on a non-diluted basis).
- (2) Upon the written request of the Cornerstone Investor delivered within two Business Days after receipt of the Piggy-Back Notice by the Company (provided that if such Distribution is to be effected as a Bought Deal, the Cornerstone Investor shall respond within 24 hours), the Company will, subject to applicable Securities Laws, use commercially reasonable efforts to, in conjunction with the proposed Distribution, cause to be qualified in such Distribution all of the Registrable Shares that the Cornerstone Investor has requested (the “**Piggy-Back Shares**”) to be included in such Distribution (a “**Piggy-Back Registration**”) in accordance with the procedures set forth in Schedule A; provided, however, if the lead underwriter or underwriters advise the Company in writing that, in their good faith opinion,

the inclusion of the Piggy-Back Shares in the Distribution should be limited (i) due to market conditions or (ii) because the number of Piggy-Back Shares proposed to be Distributed is likely to have an adverse effect on the successful marketing of the Distribution (including the price range acceptable to the Company), then the maximum number of Shares that the lead underwriter or underwriters advise should be Distributed will be allocated as follows: (x) first, to the number of Shares that the Company proposed to Distribute; and (y) second, to the number of Piggy-Back Shares, if any, that may be accommodated in such Distribution.

- (3) If the proposed Distribution is not completed within 180 calendar days of such request, the related notice of a Piggy-Back Registration delivered by the Cornerstone Investor hereunder shall be deemed to be withdrawn and the notice contemplated by Section 4.2(1) shall be deemed to have not been given (in each case, unless otherwise agreed between the Company and the Cornerstone Investor).

4.3 Rights and Obligations of the Cornerstone Investor

The Cornerstone Investor will furnish to the Company such information and execute such documents regarding the Registrable Shares and the intended method of disposition thereof as the Company may reasonably require in order to effect the requested Demand Registration or permit participation by the Cornerstone Investor under a Piggy-Back Registration. If an Underwritten Offering is contemplated, the Cornerstone Investor shall execute an underwriting agreement or agency agreement containing customary representations, warranties and indemnities (and contribution covenants) relating only to written information furnished by or on behalf of the Cornerstone Investor expressly for use in connection with such Prospectus (the “**Shareholder Information**”) for the benefit of the Company and the underwriters; provided that the obligation to indemnify shall be limited to the gross proceeds received by the Cornerstone Investor from the sale of Registrable Shares pursuant to such Distribution and will apply only to any misrepresentations or omissions of material facts in relation to the Shareholder Information, and shall otherwise be in accordance with Section 4.7 hereof. The Cornerstone Investor shall notify the Company immediately upon the discovery of, or the occurrence of any event as a result of which the Prospectus includes, an untrue statement of a material fact with respect to the Cornerstone Investor, in its capacity as selling securityholder, or omits to state a material fact with respect to the Cornerstone Investor, in its capacity as selling securityholder, required to be stated therein or necessary to make the statements therein with respect to the Cornerstone Investor, in its capacity as selling securityholder, not misleading in light of the circumstances under which they are made.

4.4 Expenses

- (1) Subject to Section 4.4(2), all Distribution Expenses incurred in respect of a Demand Registration shall be borne by the Cornerstone Investor, unless the Company sells Registrable Shares as part of the Demand Registration, in which case the Distribution Expenses shall be allocated between the Cornerstone Investor and the Company in proportion to the number of Shares sold by each relative to the total number of Shares sold pursuant to the Prospectus in respect of the Demand Registration. The Cornerstone Investor will bear the fees and expenses of its external legal counsel.

- (2) If a Demand Registration is not completed, other than as a result of a default by the Company under this Agreement or under an underwriting agreement, agency agreement or other enforceable agreement with the underwriters in respect of the Demand Distribution, all Distribution Expenses shall be borne by the Cornerstone Investor. If a Demand Distribution is not completed as a result of a default by the Company under this Agreement or under an underwriting agreement, agency agreement or other enforceable agreement with the underwriters in respect of the Demand Registration, all Distribution Expenses and the fees and expenses of the Cornerstone Investor's external legal counsel related to the Demand Registration shall be borne by the Company.
- (3) Subject to Section 4.4(4), all Distribution Expenses incurred in respect of a Piggy-Back Registration shall be allocated between the Company and the Cornerstone Investor in proportion to the number of Shares sold by each relative to the total number of Shares sold pursuant to the Prospectus in respect of the Piggy-Back Registration. The Cornerstone Investor will bear the fees and expenses of its external legal counsel.
- (4) If a Distribution in connection with a Piggy-Back Registration is not completed, other than as a result of a default by the Cornerstone Investor under this Agreement or under an underwriting agreement, agency agreement or other enforceable agreement with the underwriters in respect of the Distribution, all Distribution Expenses shall be borne by the Company. If a Distribution in connection with a Piggy-Back Registration is not completed as a result of a default by the Cornerstone Investor under this Agreement or under an underwriting agreement, agency agreement or other enforceable agreement with the underwriters in respect of the Distribution, all Distribution Expenses shall be borne by the Cornerstone Investor.
- (5) In the case of a Demand Registration under Section 4.1 or a Piggy-Back Registration pursuant to Section 4.2, all Selling Expenses will be borne by the Cornerstone Investor and the Company in proportion to the number of Shares sold by each relative to the total number of Shares sold pursuant to the Prospectus in respect of the Demand Registration or the Piggy-Back Registration, as applicable.

4.5 Sales in the United States

If the Company files a registration statement under the U.S. Securities Act or registers its Shares pursuant to Section 12(b) or 12(g) of the Exchange Act, then the parties shall promptly supplement this agreement to (a) grant the Cornerstone Investor demand registration rights to register its Registrable Shares for resale in the United States substantially similar to the Demand Registration rights granted hereunder, and (b) grant the Cornerstone Investor piggy-back registration rights to register its Registrable Shares for resale in the United States substantially similar to the Piggy-Back Registration rights granted hereunder (in each case, with the necessary modifications to reflect differences in securities laws and process). Thereafter, the Cornerstone Investor shall have the right to elect whether any offering made pursuant to a Demand Registration shall be made in Canada, the United States or in both countries concurrently. The Cornerstone Investor shall be entitled to exercise its Piggy-Back Registration rights in respect of an offering in whichever country or countries the Distribution is being made by the Company. For greater certainty, nothing in this Section 4.5 shall obligate the Company to file a registration statement to register Shares for sale to the public in the United States under the U.S. Securities Act if the

Company has not previously done so, or cause the Shares to be listed on a national stock exchange (as such term is defined in Section 6 of the Exchange Act).

4.6 Indemnification by the Company

In connection with any Demand Registration or Piggy-Back Registration, the Company will indemnify and hold harmless, to the fullest extent permitted by law, the Cornerstone Investor and its Representatives (together with the Cornerstone Investor, the “**Holder Indemnitees**”) from and against all losses, claims, suits, investigations, proceedings, actions, damages and liabilities, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, commenced or threatened, and any and all reasonable and documented out-of-pocket expenses, including the reasonable and documented fees and expenses of external counsel of any Holder Indemnitee that may be reasonably incurred in investigating, preparing for and/or defending any action, suit, proceeding, investigation or claim made or threatened against any Holder Indemnitee or in enforcing this indemnity, as incurred, arising out of or based upon: (a) any untrue or alleged untrue statement of a material fact contained in any Prospectus or supplement to a Shelf Prospectus, including all documents incorporated therein by reference, or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or (b) any failure or alleged failure by the Company to comply with applicable Securities Laws; provided that the Company will not be liable under this Section 4.6 for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld or delayed; provided further that the indemnity provided for in this Section 4.6 will not apply to any loss, liability, claim, damage or expense to the extent arising out of or based upon any untrue statement or omission made in reliance upon information furnished to the Company by the Cornerstone Investor or the underwriters of the Distribution for use in the Prospectus or supplement to a Shelf Prospectus. Any amounts advanced by the Company to an Indemnified Party (as defined in Section 4.8) pursuant to this Section 4.6 as a result of such losses will be promptly returned to the Company if it is finally determined by a court in a judgment not subject to appeal or final review that such Indemnified Party was not entitled to indemnification by the Company.

4.7 Indemnification by the Cornerstone Investor

- (1) In connection with any Demand Registration or Piggy-Back Registration, the Cornerstone Investor will indemnify and hold harmless to the fullest extent permitted by law the Company and each of the Company’s directors, officers, employees, advisors, agents and representatives from and against all losses, claims, suits, investigations, proceedings, actions, damages and liabilities, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, commenced or threatened, and any and all reasonable and documented out-of-pocket expenses, including the reasonable and documented fees and expenses of external counsel of the Company that may be reasonably incurred in investigating, preparing for and/or defending any action, suit, proceeding, investigation or claim made or threatened against the Company or in enforcing this indemnity, as incurred, arising out of or based upon: (a) any untrue or alleged untrue statement of a material fact contained in any Prospectus or supplement to a Shelf Prospectus, including all documents incorporated therein by reference, or the omission or alleged omission of a material fact required to be stated therein or necessary to make the

statements therein, in light of the circumstances under which they were made, not misleading; or (b) any failure by the Cornerstone Investor to comply with applicable Securities Laws, but in any case only with respect to untrue statements or omissions made in the Prospectus included solely in reliance upon information furnished to the Company by the Cornerstone Investor for use in the Prospectus or supplement to a Shelf Prospectus; provided that the Cornerstone Investor will not be liable under this Section 4.7 for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld or delayed. Any amounts advanced by the Cornerstone Investor to an Indemnified Party pursuant to this Section 4.7 as a result of such losses will be promptly returned to the Cornerstone Investor if it is finally determined by a court in a judgment not subject to appeal or final review that such Indemnified Party was not entitled to indemnification by the Cornerstone Investor.

- (2) Notwithstanding any provision of this Agreement, in connection with any Demand Registration or any Piggy-Back Registration, in no event will the Cornerstone Investor be liable for indemnification or contribution hereunder for an amount greater than the lesser of: (i) the gross proceeds actually received by the Cornerstone Investor; and (ii) the Cornerstone Investor's proportionate share of any such liability based on the gross proceeds actually received by the Cornerstone Investor and the aggregate gross proceeds of the Distribution.

4.8 Defence of the Action by the Indemnifying Parties

- (1) Each party entitled to indemnification under this ARTICLE 4 (the "**Indemnified Party**") will give written notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, but the omission to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability which it may have to the Indemnified Party pursuant to the provisions of this ARTICLE 4 except to the extent of the damage or prejudice, if any, suffered by such delay in notification. The Indemnifying Party will assume the defence of such action, including the employment of counsel to be chosen by the Indemnifying Party to be reasonably satisfactory to the Indemnified Party, and payment of expenses. The Indemnified Party will have the right to employ its own counsel in any such case, but the reasonable legal fees and documented out-of-pocket expenses of such counsel will be at the expense of the Indemnified Party, unless (a) the employment of such counsel is authorized in writing by the Indemnifying Party in connection with the defence of such action, (b) the Indemnifying Party fails to assume the defence of such claim within a reasonable time after receipt of notice of such claim (including not having employed counsel to take charge of the defence of such claim), or (c) the Indemnified Party reasonably concludes, based on the opinion of counsel, a conflict of interest may exist between the Indemnified Party and the Indemnifying Party with respect to such claims, including because there may be defences available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party (in each of cases (b) and (c), the Indemnifying Party will not have the right to direct the defence of such action on behalf of the Indemnified Party if the Indemnified Party notifies the Indemnifying Party that the Indemnified Party has elected to employ separate counsel), in any of which events the reasonable fees and expenses will be borne by the Indemnifying Party.

- (2) No settlement of any claim or admission of liability may be made by the Indemnifying Party without the prior written consent of the Indemnified Party, acting reasonably, or unless the Indemnifying Party acknowledges in writing that the Indemnified Party is entitled to be indemnified in respect of such claim and such settlement, compromise or judgment: (a) includes an unconditional release of the Indemnified Party from all liability arising out of such claim; and (b) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of the Indemnified Party.

4.9 Contribution

If the indemnification provided for in this ARTICLE 4 is unavailable to a party that would have been an Indemnified Party under this ARTICLE 4 in respect of any losses, liabilities, claims, damages and expenses referred to herein, then the party that would have been the Indemnifying Party hereunder will, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such losses, liabilities, claims, damages and expenses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and such Indemnified Party on the other hand in connection with the statement or omission that resulted in such losses, liabilities, claims, damages and expenses, as well as any other relevant equitable considerations. The relative fault will be determined by reference to, among other things, whether the untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or such Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party under this Section 4.9 as a result of the losses, liabilities, claims, damages and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding. The Company and the Cornerstone Investor agree that it would not be just and equitable if contribution pursuant to this Section 4.9 were determined by *pro rata* allocation or by any other method of allocation which does not take into account the equitable considerations referred to above in this Section 4.9. With respect to this Section 4.9, the Cornerstone Investor shall not in any event be liable to contribute, in the aggregate, any amount in excess of the gross proceeds actually received by the Cornerstone Investor as a result of a Distribution of the Shares. Notwithstanding the foregoing, however, no Person guilty of fraud or fraudulent misrepresentation will be entitled to contribution from any Person who was not guilty of fraud or fraudulent misrepresentation.

4.10 Survival

The indemnification provided for under this ARTICLE 4 will survive the expiry of this Agreement and will remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Party or any officer, director or controlling Person of such Indemnified Party.

4.11 Conflict

Notwithstanding the foregoing, to the extent that the provisions regarding indemnification and contribution contained in the underwriting agreement or agency agreement entered into in connection with an Underwritten Offering are in conflict with the foregoing provisions, the provisions of the underwriting agreement or agency agreement shall prevail.

4.12 Acting as Trustee

- (1) The Company hereby acknowledges and agrees that, with respect to this ARTICLE 4, the Cornerstone Investor is contracting as agent for the applicable Indemnified Parties referred to in Section 4.8. In this regard, the Cornerstone Investor will act as trustee for such Indemnified Parties of the covenants of the Company under this ARTICLE 4 with respect to such Indemnified Parties and accepts these trusts and will hold and enforce those covenants on behalf of such Indemnified Parties.
- (2) The Cornerstone Investor hereby acknowledges and agrees that, with respect to this ARTICLE 4, the Company is contracting on its own behalf and as agent for the other Indemnified Parties referred to in Section 4.8. In this regard, the Company will act as trustee for such Indemnified Parties of the covenants of the Cornerstone Investor under this ARTICLE 4 with respect to such Indemnified Parties and accepts these trusts and will hold and enforce those covenants on behalf of such Indemnified Parties.

4.13 Expiry of Registration Rights

The Demand Registration Rights and the Piggy-Back Registration Rights granted to the Cornerstone Investor pursuant to this Article 4 and the obligations of the Company in connection therewith shall terminate and be of no further force or effect on the first day following the date on which the Cornerstone Investor and any Permitted Transferees beneficially own, or exercise control or direction over (or any combination thereof), directly or indirectly, an aggregate number of Shares equal to less than 10% of the issued and outstanding Shares (on a non-diluted basis).

ARTICLE 5 PRE-EMPTIVE RIGHTS

5.1 Pre-Emptive Right

- (1) During the Lock-Up Period and for a period of two years thereafter, subject to Section 5.2 and subject to the receipt of all required regulatory approvals, so long as the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to not less than 10% of the issued and outstanding Shares (on a non-diluted basis), in the event of any issuance of any Shares or Convertible Securities and, for greater certainty, including any issuance of Shares on the exercise of an Over-Allotment Option (collectively, “**Pre-Emptive Right Securities**”) (any such issuance, a “**Subsequent Offering**”), the Cornerstone Investor shall have the right (the “**Pre-Emptive Right**”) to subscribe for and acquire, on the same terms and conditions of such Subsequent Offering:
 - (a) in the case of a Subsequent Offering of Shares, such number of Shares which would result in the Cornerstone Investor and any Permitted Transferees holding a percentage of issued and outstanding Shares (on a non-diluted basis) as is equal to the quotient, expressed as a percentage, determined by dividing (x) the Applicable Shares by (y) the number of issued and outstanding Shares (on a non-diluted basis), in each case immediately prior to the completion of the Subsequent Offering; and
 - (b) in the case of a Subsequent Offering of Convertible Securities, such number of Convertible Securities which would (assuming the conversion, exercise or

exchange thereof of all of the Convertible Securities issued in connection with the Subsequent Offering and the Convertible Securities issuable pursuant to this Section 5.1) result in the Cornerstone Investor and any Permitted Transferees holding the percentage of issued and outstanding Shares (on a non-diluted basis) as is equal to the quotient, expressed as a percentage, determined by dividing (x) the Applicable Shares by (y) the number of issued and outstanding Shares (on a non-diluted basis), in each case immediately prior to the completion of the Subsequent Offering,

in each case, for greater certainty, after giving effect to any Shares or Convertible Securities acquired by the Cornerstone Investor and any Permitted Transferee as part of the Subsequent Offering, other than pursuant to the exercise of the Pre-Emptive Right, if applicable. Pre-Emptive Right Securities will be offered by way of a separate private placement to the Cornerstone Investor to be completed accordance with Section 5.1(5), unless the Company and the Cornerstone Investor agree that the Cornerstone Investor will participate directly in the Subsequent Offering. If the Company realizes the benefit of any reduction in the underwriting or agents' fee, discount or commission in connection with the Subsequent Offering as a result of the Cornerstone Investor's exercise of the Pre-Emptive Right and acquisition of Pre-Emptive Right Securities, the Cornerstone Investor shall be entitled to receive from the Company one half of the net value of such benefit.

- (2) At least five Business Days prior to the public announcement of the Subsequent Offering (or, in the case of a Subsequent Offering that is a Bought Deal, at least two Business Days), the Company shall deliver to the Cornerstone Investor a notice in writing (the "**Subsequent Offering Notice**") setting out: (a) the number of Shares or Convertible Securities proposed to be issued; (b) the material terms and conditions of any Convertible Securities proposed to be issued and any other terms and conditions of such Subsequent Offering; (c) to the extent known, the subscription price per Common Share or Convertible Security proposed to be issued by the Company under such Subsequent Offering; and (d) the proposed closing date for the issuance of Common Shares or Convertible Securities to the Cornerstone Investor, assuming exercise of the Pre-Emptive Right by the Cornerstone Investor. In the case of a Subsequent Offering that relates to the exercise of an Over-Allotment Option, the Company shall provide the Subsequent Offering Notice to the Cornerstone Investor as soon as practicable following the exercise of the Over-Allotment Option.
- (3) If the Cornerstone Investor wishes to exercise the Pre-Emptive Right in respect of a particular Subsequent Offering, the Cornerstone Investor shall give written notice to the Company (the "**Exercise Notice**") of the exercise of such right and of the number of Shares or Convertible Securities, as applicable, that the Cornerstone Investor wishes to purchase within three Business Days after the date upon which the notice contemplated hereby is received by the Cornerstone Investor (or, in the case of a Subsequent Offering that is a Bought Deal, 24 hours) after the date of receipt of the Subsequent Offering Notice by the Cornerstone Investor (the "**Exercise Notice Period**"), provided that if the Cornerstone Investor does not so provide such Exercise Notice prior to the expiration of the Exercise Notice Period, the Cornerstone Investor will not be entitled to exercise the Pre-Emptive Right in respect of such Subsequent Offering. Any Exercise Notice delivered by the Cornerstone Investor shall set forth the aggregate number of each class of securities of the Company beneficially owned, or over which the Cornerstone Investor and any Permitted

Transferees exercise control or direction (or any combination thereof), directly or indirectly, including any securities in respect of which the Cornerstone Investor or any Permitted Transferees has entered into a Derivative Transaction, as of the date of such Exercise Notice.

- (4) If the Company receives a valid Exercise Notice from the Cornerstone Investor within the Exercise Notice Period, then the Company shall, subject to the receipt of all required regulatory and other approvals (including the approvals of each stock exchange on which the Shares or Convertible Securities are listed) on terms and conditions satisfactory to the Company, acting reasonably, which approvals the Company shall use commercially reasonable efforts to obtain (other than any shareholder approvals which the Company shall not under any circumstances be required or obliged to obtain), and subject to compliance with applicable laws, issue to the Cornerstone Investor against payment of the subscription price payable in respect thereof, that number of Pre-Emptive Right Securities set forth in the Exercise Notice.
- (5) The closing of the exercise of the Pre-Emptive Right will take place on the closing date set out in the Subsequent Offering Notice, which shall be, to the extent practicable, concurrent with the related issuance pursuant to the Subsequent Offering and, if not practicable, as soon as practicable thereafter. If the closing of the exercise of the Pre-Emptive Right has not been completed by the 90th day following the receipt of the Subsequent Offering Notice (or such earlier or later date as the parties may agree), provided that the Company has used its commercially reasonable efforts to obtain all required regulatory and other approvals (other than any shareholder approvals, which the Company shall not under any circumstances be required or obliged to obtain), then the Cornerstone Investor may choose to withdraw its Exercise Notice, in which case the Company will have no obligation to issue any Shares or Convertible Securities, as applicable, to the Cornerstone Investor pursuant to such exercise of the Pre-Emptive Right.
- (6) If the Cornerstone Investor does not timely elect to exercise its Pre-Emptive Right in full, then the Company shall be free for a period of 90 days following the expiration of the Exercise Notice Period to sell the Common Shares or Convertible Securities, as applicable, subject to the Subsequent Offering Notice on terms and conditions not materially more favorable to the purchasers thereof (but in any event with a price no less than those offered to the Cornerstone Investor in the Subsequent Offering Notice); provided that any Common Shares or Convertible Securities offered or sold by the Company after such 90-day period, or any Common Shares or Convertible Securities offered or sold by the Company during such 90-day period on terms and conditions materially more favorable to the purchasers thereof (or in any event with a price less) than those offered to the Cornerstone Investor in the Subsequent Offering Notice, must, in either case, be reoffered to the Cornerstone Investor pursuant to this Section 5.1 as though it were a new Subsequent Offering.

5.2 Excluded Issuances

- (1) Subject to Section 5.5, the rights of the Cornerstone Investor under Section 5.1 will not apply, and the Company will not grant any right to the Cornerstone Investor to subscribe for and acquire Pre-Emptive Right Securities, in connection with Shares or other securities issued in the following circumstances (each, an “**Excluded Issuance**”):

- (a) pursuant to the terms of the Conversion Plan (for greater certainty, whether occurring before, on or after the effective date of this Agreement);
- (b) in respect of the issuance, exercise or settlement of options, rights, deferred share units, restricted share units, performance share units or other securities or entitlements issued under security-based compensation arrangements of the Company and any issuance of Shares pursuant thereto, including any employee share purchase plan adopted by the Company and approved by its Shareholders (if applicable);
- (c) to Shareholders in lieu of or as a reinvestment of cash distributions or dividends, including under any dividend re-investment plan or dividend re-investment and purchase plan adopted by the Company, or to Shareholders as an optional purchase pursuant to a dividend re-investment or dividend re-investment and purchase plan adopted by the Company;
- (d) in connection with the exercise by a holder of a conversion, exchange or other similar right pursuant to the terms of a security in respect of which the Cornerstone Investor did not exercise, failed to exercise, or waived its rights under Section 5.1 or in respect of which the rights under Section 5.1 did not apply;
- (e) pursuant to a Shareholders' rights plan of the Company;
- (f) to the Company or any wholly-owned Subsidiary thereof;
- (g) in connection with the issuance of Shares upon the exercise by the underwriters of the IPO Over-Allotment Option;
- (h) in connection with a share split, stock dividend or any similar transaction or recapitalization involving the Shares (provided, for greater certainty, that the Cornerstone Investor shall be permitted to participate in any such event in its capacity as a shareholder of the Company to the same extent as all other shareholders of the Company); and
- (i) in connection with any direct or indirect acquisitions or business combination transactions involving the Company or its Subsidiaries as consideration to the former shareholders or sellers of the acquired business or assets or to the management of the acquired business (any such acquisition or business combination transaction, a "**Specified Dilutive Transaction**");

in each case which have been approved by the Board.

For greater certainty, the issuance of Shares in connection with the exercise by the underwriters of an Over-Allotment Option other than the IPO Over-Allotment Option shall not be an Excluded Issuance and the pre-emptive rights of the Cornerstone Investor under Section 5.1 will apply.

5.3 Issuances of Non-Convertible Debt Securities

- (1) During the Lock-Up Period and for a period of two years thereafter, subject to the receipt of all required regulatory approvals, so long as the Cornerstone Investor and any Permitted Transferees holds Applicable Shares equal to not less than 10% of the issued and outstanding Shares (on a non-diluted basis), in the event of issuance by the Company of any (i) non-convertible debt securities, which shall not include any indebtedness of the Company incurred or issued under or in connection with a Debt Facility, or (ii) non-convertible preferred shares (collectively, “**Non-Convertible Securities**”) by way of public offering or private placement for aggregate gross proceeds that would reasonably be expected to be not less than \$50.0 million (any such issuance, a “**Non-Convertible Securities Offering**”), the Cornerstone Investor shall have the right (the “**Non-Convertible Securities Participation Right**”) to subscribe for and acquire, on the same terms and conditions, such percentage of the Non-Convertible Securities issued in the Non-Convertible Securities Offering as is equal to the quotient, expressed as a percentage, determined by dividing (x) the Applicable Shares by (y) the number of issued and outstanding Shares (on a non-diluted basis) immediately prior to the completion of the Non-Convertible Securities Offering; provided, however, that the rights of the Cornerstone Investor under this Section 5.3 shall not apply, and the Company will not grant any right to the Cornerstone Investor to subscribe for and acquire any Non-Convertible Securities, in connection with securities issued: (a) to the Company or any wholly-owned Subsidiary thereof; or (b) in connection with any direct or indirect acquisitions or business combination transactions involving the Company or its Subsidiaries as consideration to the former shareholders or sellers of the acquired business or assets or to the management of the acquired business, in each case which has been approved by the Board. If the Cornerstone Investor elects to exercise its Non-Convertible Securities Participation Right, Non-Convertible Securities will be sold to the Cornerstone Investor through direct participation in the Non-Convertible Securities Offering, unless the Company and the Cornerstone Investor agree that the Cornerstone Investor will participate by way of a separate private placement to the Cornerstone Investor. If the Company realizes the benefit of any reduction in the underwriting or agents’ fee, discount or commission in connection with the Non-Convertible Securities Offering as a result of the issuance of Non-Convertible Securities to the Cornerstone Investor, the Cornerstone Investor shall be entitled to receive from the Company one half of the net value of such benefit.
- (2) At least five Business Days prior to the planned date of commencement of the Non-Convertible Securities Offering (or, in the case of a Non-Convertible Securities Offering that is a Bought Deal, at least two Business Days), the Company shall deliver to the Cornerstone Investor a notice in writing (the “**Non-Convertible Securities Offering Notice**”) setting out: (a) the number or aggregate principal amount of Non-Convertible Securities proposed to be issued; (b) the material terms and conditions of the Non-Convertible Securities proposed to be issued and any other terms and conditions of such Non-Convertible Securities Offering; (c) to the extent known, the subscription price per Non-Convertible Security proposed to be issued by the Company under such Non-Convertible Securities Offering, as applicable; and (d) the proposed closing date for the issuance of Non-Convertible Securities to the Cornerstone Investor, assuming exercise of the Non-Convertible Securities Participation Right by the Cornerstone Investor.
- (3) If the Cornerstone Investor wishes to exercise the Non-Convertible Securities Participation Right in respect of a particular Non-Convertible Securities Offering, the Cornerstone

Investor shall give written notice to the Company (the “**Non-Convertible Securities Exercise Notice**”) of the exercise of such right and of the number of Non-Convertible Securities that the Cornerstone Investor wishes to purchase within three Business Days after the date upon which the notice contemplated hereby is received by the Cornerstone Investor (or, in the case of a Non-Convertible Securities Offering that is a Bought Deal, 24 hours) after the date of receipt of the Non-Convertible Securities Offering Notice (the “**Non-Convertible Securities Exercise Notice Period**”), provided that if the Cornerstone Investor does not so provide such Non-Convertible Securities Exercise Notice prior to the expiration of the Non-Convertible Securities Exercise Notice Period, the Cornerstone Investor will not be entitled to exercise the Non-Convertible Securities Participation Right in respect of such Non-Convertible Securities Offering. Any Non-Convertible Securities Exercise Notice delivered by the Cornerstone Investor shall set forth the aggregate number of each class of securities of the Company beneficially owned, or over which the Cornerstone Investor and any Permitted Transferees exercise control or direction (or any combination thereof), directly or indirectly, including any securities in respect of which the Cornerstone Investor or any Permitted Transferees has entered into a Derivative Transaction, as of the date of such Non-Convertible Securities Exercise Notice.

- (4) If the Company receives a valid Non-Convertible Securities Exercise Notice from the Cornerstone Investor within the Non-Convertible Securities Exercise Notice Period, then the Company shall, subject to the receipt of all required regulatory and other approvals (including the approvals of any stock exchange on which the Non-Convertible Securities are listed, if applicable) on terms and conditions satisfactory to the Company, acting reasonably, which approvals the Company shall use commercially reasonable efforts to obtain (other than any shareholder approvals which the Company shall not under any circumstances be required or obliged to obtain), and subject to compliance with applicable laws, issue to the Cornerstone Investor against payment of the subscription price payable in respect thereof, that number of Non-Convertible Securities set forth in the Non-Convertible Securities Exercise Notice.
- (5) The closing of the Non-Convertible Securities Offering and the closing of the issuance of securities pursuant to the exercise of the Non-Convertible Securities Participation Right will take place on the closing date set out in the Non-Convertible Securities Offering Notice. If the closing of the Non-Convertible Securities Offering and the exercise of the Pre-Emptive Right has not been completed by the 90th day following the receipt of the Non-Convertible Securities Offering Notice (or such earlier or later date as the parties may agree), provided that the Company has used its commercially reasonable efforts to obtain all required regulatory and other approvals (other than any shareholder approvals, which the Company shall not under any circumstances be required or obliged to obtain), then the Cornerstone Investor may choose to withdraw its Non-Convertible Securities Exercise Notice, in which case the Company will have no obligation to issue any Non-Convertible Securities, as applicable, to the Cornerstone Investor pursuant to such exercise of the Non-Convertible Securities Participation Right.
- (6) If the Cornerstone Investor does not timely elect to exercise its Non-Convertible Securities Participation Right in full, then the Company shall be free for a period of 90 days following the expiration of the Non-Convertible Securities Exercise Notice Period to sell the Non-Convertible Securities subject to the Non-Convertible Securities Offering Notice on terms

and conditions not materially more favorable to the purchasers thereof (but in any event with a price no less than those offered to the Cornerstone Investor in the Non-Convertible Securities Offering Notice); provided that any Non-Convertible Securities offered or sold by the Company after such 90-day period, or any Non-Convertible Securities offered or sold by the Company during such 90-day period on terms and conditions materially more favorable to the purchasers thereof (or in any event with a price less) than those offered to the Cornerstone Investor in the Non-Convertible Securities Offering Notice, must, in either case, be reoffered to the Cornerstone Investor pursuant to this Section 5.3 as though it were a new Non-Convertible Securities Offering.

5.4 Top-Up Right

- (1) Subject to 5.5 and the terms of this Section 5.4, during the Lock-Up Period and for a period of two years thereafter, subject to applicable laws and the receipt of all required regulatory and other approvals (including the approvals of each stock exchange on which the Shares are listed), so long as the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to not less than 10% of the issued and outstanding Shares (on a non-diluted basis) the Cornerstone Investor shall have the right (the “**Top-Up Right**”), in connection with the issuance of Shares pursuant to one or more Specified Dilutive Transactions, to subscribe for such number of Shares (the “**Top-Up Shares**”) that will allow the Cornerstone Investor (and any Permitted Transferees) to maintain a percentage ownership interest in the issued and outstanding Shares, after giving effect to the Specified Dilutive Transaction or Specified Dilutive Transactions, as applicable, referenced in the Top-Up Notice (as defined below), that is the same as the percentage ownership interest that it (together with any Permitted Transferees) would have had but for the Specified Dilutive Transaction or Specified Dilutive Transactions, as applicable, referenced in the Top-Up Notice; provided, however, the Top-Up Right shall only be exercisable from time to time following the completion of one or more Specified Dilutive Transactions which, alone or in the aggregate, as applicable, result in the issuance of such number of Shares that exceeds 5% of the number of issued and outstanding Shares (on a non-diluted basis) immediately following the completion of the IPO and, if applicable, the IPO Over-Allotment Option (the “**Top-Up Threshold**”); provided, further, that if the Cornerstone Investor fails or declines to exercise its Top-Up Right in respect of Top-Up Shares on one occasion, the Cornerstone Investor shall be deemed to forfeit any rights to subscribe for Top-Up Shares in connection with any subsequent Specified Dilutive Transaction or Specified Dilutive Transactions.
- (2) No later than 10 Business Days from the date the Company, or one of its affiliates, enters into a binding agreement in respect of a Specified Dilutive Transaction which would, if consummated, result in the Top-Up Threshold being exceeded, the Company shall deliver a written notice (a “**Top-Up Notice**”) to the Cornerstone Investor notifying the Cornerstone Investor that its Top-Up Right has become exercisable and setting out: (a) the number of Shares to be issued pursuant to such Specified Dilutive Transaction; (b) the total number of issued and outstanding Shares following such Specified Dilutive Transaction; (c) the number of Shares issued pursuant to any other Specified Dilutive Transactions, if any, since the last Top-Up Notice was delivered (or, in the case of the first Top-Up Notice delivered under this Agreement, if applicable, since the date of this Agreement); and (d) the total

number of Top-Up Shares that the Cornerstone Investor is permitted to subscribe for pursuant to the Top-Up Right.

- (3) If the Cornerstone Investor wishes to exercise the Top-Up Right, the Cornerstone Investor shall give written notice to the Company (the “**Top-Up Exercise Notice**”) of its intention to exercise such right and the number of Top-Up Shares that the Cornerstone Investor wishes to subscribe for and purchase pursuant to the Top-Up Right within five Business Days after the date of receipt of the Top-Up Notice (the “**Top-Up Notice Period**”), failing which the Cornerstone Investor will not be entitled to exercise the Top-Up Right as contemplated by the Top-Up Notice. Any Top-Up Exercise Notice delivered by the Cornerstone Investor shall set forth the aggregate number of each class of securities of the Company beneficially owned, or over which the Cornerstone Investor and any Permitted Transferees exercise control or direction (or any combination thereof), directly or indirectly, including any securities in respect of which the Cornerstone Investor or any Permitted Transferees has entered into a Derivative Transaction, as of the date of such Top-Up Exercise Notice.
- (4) If the Company receives a valid Top-Up Exercise Notice from the Cornerstone Investor within the Top-Up Notice Period, then the Company shall, subject to the receipt of all required regulatory and other approvals (including the approvals of each stock exchange on which the Shares are listed) on terms and conditions satisfactory to the Company, acting reasonably, which approvals the Company shall use commercially reasonable efforts to obtain (other than any shareholder approvals which the Company shall not under any circumstances be required or obliged to obtain), and subject to compliance with applicable laws, issue to the Cornerstone Investor against payment of a subscription price per Top-Up Share equal to the Market Value calculated as at the last Business Day before the closing date of the Specified Dilutive Transaction, that number of Top-Up Shares set forth in the Top-Up Exercise Notice, such issuance to be completed, to the extent practicable, concurrent with the closing of the Specified Dilutive Transaction and, if not practicable, as soon as practicable thereafter. Each Top-Up Exercise Notice shall constitute a binding agreement by the Cornerstone Investor to subscribe for and take up, and by the Company to issue and sell to the Cornerstone Investor, the number of Top-Up Shares that the Cornerstone Investor agrees to subscribe for in its Top-Up Exercise Notice, subject to the consummation of the Specified Dilutive Transaction. If the closing of the exercise of the Top-Up Right has not been completed by the 90th day following the closing date of the Specified Dilutive Transaction, provided that the Company has used its commercially reasonable efforts to obtain all required regulatory and other approvals (other than any shareholder approvals, which the Company shall not under any circumstances be required or obliged to obtain), then the Cornerstone Investor may choose to withdraw its Top-Up Exercise Notice, in which case the Company will have no obligation to issue any Shares to the Cornerstone Investor pursuant to such exercise of the Top-Up Right.

5.5 Alternative to Top-Up Right

Notwithstanding Section 6.1(1) and without limiting Section 5.4, the parties agree that the Company shall not be obligated to undertake one or more private placements of Top-Up Shares to the Cornerstone Investor pursuant to Section 5.4, if applicable, if the Company specifies in a Top-Up Notice delivered to the Cornerstone Investor pursuant to Section

5.4(2) in respect of any such issuance of Top-Up Shares that the Cornerstone Investor shall, in lieu of a right to subscribe for such Top-Up Shares, have the right to acquire such Top-Up Shares following the closing of the Specified Dilutive Transaction through purchases of Shares over the facilities of the TSX or other stock exchange or other organized securities market on which Shares are listed or traded in accordance with the terms of this Section 5.5. Such Top-Up Notice shall set out: (a) the number of Shares to be issued pursuant to the Specified Dilutive Transaction; (b) the total number of issued and outstanding Shares following such Specified Dilutive Transaction; (c) the number of Shares issued pursuant to any other Specified Dilutive Transactions, if any, since the last Top-Up Notice was delivered (or, in the case of the first Top-Up Notice delivered under this Agreement, if applicable, since the date of this Agreement); and (d) the total number of Top-Up Shares that the Cornerstone Investor is permitted to acquire pursuant to the Top-Up Right in accordance with this Section 5.5. If the Cornerstone Investor wishes to exercise the Top-Up Right in connection with the Top-Up Shares specified in such Top-Up Notice, the Cornerstone Investor shall give written notice to the Company (the “**Top-Up Market Purchase Exercise Notice**”) of its intention to exercise such right within five Business Days after the date of receipt of the Top-Up Notice (the “**Top-Up Market Purchase Notice Period**”), failing which the Cornerstone Investor will not be entitled to exercise the Top-Up Right as contemplated by such Top-Up Notice. Any Top-Up Market Purchase Exercise Notice delivered by the Cornerstone Investor shall set forth the aggregate number of each class of securities of the Company beneficially owned, or over which the Cornerstone Investor and any Permitted Transferees exercise control or direction (or any combination thereof), directly or indirectly, including any securities in respect of which the Cornerstone Investor or any Permitted Transferees has entered into a Derivative Transaction, as of the date of such Top-Up Market Purchase Exercise Notice. Subject to applicable laws, the Cornerstone Investor shall have 90 days from the closing date of the Specified Dilutive Transaction to purchase up to the number of Shares specified in the Top-Up Market Purchase Exercise Notice (the “**Top-Up Market Purchase Exercise Period**”). All Shares purchased by the Cornerstone Investor during the Top-Up Market Purchase Exercise Period must be purchased over the facilities of the TSX or other stock exchange or other organized securities market on which Shares are listed or traded.

5.6 Expiry of Pre-Emptive Right, Non-Convertible Securities Participation Right and Top-Up Right

Each of the Pre-Emptive Right, the Non-Convertible Securities Participation Right and, subject to Section 5.4(1), the Top-Up Right granted to the Cornerstone Investor pursuant to this Article 5 and the obligations of the Company in connection therewith shall terminate and be of no further force or effect on the earlier of (a) the first day following the date on which the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to less than 10% of the issued and outstanding Shares (on a non-diluted basis) and (b) the first day following the date that is two years after the expiry of the Lock-Up Period.

ARTICLE 6 STANDSTILL

6.1 Standstill

- (1) During the Standstill Period, subject to Section 6.1(2), the Cornerstone Investor shall not, and shall cause each of the Cornerstone Investor's Affiliates not to, without the prior written consent of the Company:
 - (a) acquire or agree to acquire or make any proposal to acquire, directly or indirectly, by means of purchase, merger, amalgamation, consolidation, take-over bid, business combination or in any other manner, any Shares, securities or assets of the Company or its Affiliates;
 - (b) solicit proxies of shareholders of the Company, or seek to advise or influence any other Person with respect to the voting of any securities of the Company, or form, join or in any way participate in a proxy or proxy solicitation or dissident shareholder group, in each case for any such purpose;
 - (c) otherwise act, alone or jointly or in concert with others, to seek to control or influence, in any manner, the management, Board or policies of the Company or its Affiliates; provided it is understood that the foregoing shall not prevent the Cornerstone Investor from having collaborative discussions with management in which the Cornerstone Investor communicates its views regarding such matters or commit the Cornerstone Investor to vote in favour of management's recommendation on any matter other than as specified in Section 3.7;
 - (d) take any actions, directly or indirectly, that question the validity or effectiveness of any shareholder rights plan, rights agreements or any other "poison pill" or other antitakeover arrangement of the Company (collectively, a "**Plan**") or any securities that may be issued pursuant thereto, or seek to cause any Person, court or regulatory body to "cease trade" or otherwise restrict the operation of such a Plan;
 - (e) have any discussions or enter into any arrangements, understandings or agreements, whether written or oral, with, or advise, finance, aid, assist, encourage or act jointly or in concert with, any other Persons in connection with any of the foregoing; or
 - (f) make any public announcement with respect to the foregoing, except as may be required by applicable law, regulatory authorities or stock exchanges.
- (2) Notwithstanding anything to the contrary herein, this Section 6.1 shall in no way limit, restrict or prohibit the Cornerstone Investor during the Standstill Period from acquiring Pre-Emptive Right Securities or Non-Convertible Securities pursuant to the exercise of its Pre-Emptive Right or its Non-Convertible Securities Participation Right, respectively, pursuant to Article 5.

ARTICLE 7
TRANSFER OF SECURITIES

7.1 Restrictions on Transfer

- (1) During the Lock-Up Period, subject to Section 7.2 and Section 7.4, the Cornerstone Investor shall not, and shall cause each of the Cornerstone Investor's Affiliates not to, without the prior written consent of the Company: (a) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any Shares, any warrants issued by the Company to purchase Shares, any Convertible Securities or any securities that represent the right to receive any Shares ("**Lock-Up Securities**"), whether now owned or hereafter acquired, or agree or commit to do any of the foregoing (any such transaction, a "**Transfer**" and the words "**Transferred**" and "**Transferring**" have corresponding meanings) (it being understood that in the event that the Cornerstone Investor or a Permitted Transferee thereof, as applicable, ceases or would cease upon the occurrence of a specified event to be controlled by the Person controlling the Cornerstone Investor or a Permitted Transferee, as applicable, such event shall be deemed to constitute a "Transfer" subject to the restrictions on Transfer set out in Article 7); or (b) engage in any hedging or other transaction or other arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) that is designed to or which could reasonably be expected to lead to or result in (i) a Transfer (whether by the Cornerstone Investor, any of the Cornerstone Investor's Affiliates, a counterparty to any contract entered into with the Cornerstone Investor or any of the Cornerstone Investor's Affiliates, or by someone other than the Cornerstone Investor or its Affiliates); or (ii) a change in or transfer of any voting rights or entitlements of the Cornerstone Investor or any of the Cornerstone Investor's Affiliates, in whole or in part, directly or indirectly, under any Lock-Up Securities (including any change of control or direction over such voting rights or entitlements by way of agreement, instrument of proxy, pursuant to remedies available to a secured party, or otherwise); or (iii) a change in or transfer of any of the economic consequences of ownership of the Cornerstone Investor or any of the Cornerstone Investor's Affiliates, in whole or in part, directly or indirectly, in respect of any Lock-Up Securities, in each case whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Lock-Up Securities or other securities, in cash or otherwise, or agree to commit to do any of the foregoing (any such transaction or arrangement, a "**Derivative Transaction**", and together with any Transfer, a "**Restricted Activity**").
- (2) The Cornerstone Investor shall not, and shall cause each of the Cornerstone Investor's Affiliates not to, engage in any Restricted Activity (whether during or after the Lock-Up Period) that is intended or reasonably expected to, directly or indirectly, cause or accommodate a Transfer of Lock-Up Securities or the transfer of any right or entitlement to exercise voting control or direction over any Lock-Up Securities to: (a) any Person (or such Person and its Affiliates and Persons acting jointly or in concert with such Person) if such Restricted Activity would result in such Person, together with its Affiliates and Persons acting jointly or in concert with such Person, beneficially owning, or having voting control or direction, directly or indirectly, over more than 10% of the issued and outstanding Shares after giving effect to such Restricted Activity; or (b) any Competitor;

provided that the Cornerstone Investor shall not be in violation of the foregoing restriction if and to the extent that (A) if the Restricted Activity involves a Derivative Transaction, such Derivative Transaction either (x) occurs after the Lock-Up Period, provided that such Derivative Transaction is only entered into with a financial institution that is acting as a principal and on arm's length market terms and conditions and not with any intention, directly or indirectly, on the part of the Cornerstone Investor to cause or accommodate a Transfer of Lock-Up Securities or any right or entitlement to exercise, control or direct the exercise of voting rights under any Shares as a block to any predetermined person (it being recognized that a financial institution may in turn independently determine to sell Lock-Up Securities (including a short sale of Shares) by trading over the facilities of a stock exchange or other organized securities market on which Shares are listed or quoted in circumstances where such trading is not pursuant to a block sale to any predetermined person or any other pre-arranged transaction); or (y) is a transaction or arrangement contemplated under Section 7.2(3); and (B) if the Restricted Activity involves a Transfer of Lock-Up Securities, such Transfer occurs after the Lock-Up Period and is either (x) effected over the facilities of a stock exchange or other organized securities market on which Shares are listed or quoted in circumstances where such trading is not pursuant to a block sale to any predetermined person or any other pre-arranged transaction; or (y) is qualified under a Prospectus in the context of an Underwritten Offering.

7.2 Permitted Transfers

- (1) The restrictions in Section 7.1(1) and Section 7.1(2) shall not restrict the Cornerstone Investor from Transferring, or permitting any of the Cornerstone Investor's Affiliates to Transfer, all or any of the Shares held by the Cornerstone Investor or the Cornerstone Investor's Affiliates to: (a) the Company or any of its Subsidiaries, whether as a result of the Transfer contemplated by Section 7.4(1) or otherwise; or (b) a Permitted Transferee who has agreed in writing prior to such Transfer to be bound by, and subject to, this Agreement, pursuant to a written joinder instrument (in a form and substance satisfactory to the Company, acting reasonably) under which the Permitted Transferee agrees to (i) be bound by the terms of this Agreement, and (ii) to Transfer all Shares acquired by it pursuant to such Transfer back to the Cornerstone Investor or its applicable Affiliate at or before such time as the transferee ceases to satisfy the eligibility requirements applicable to a Permitted Transferee.
- (2) The restrictions in Section 7.1(1) and Section 7.1(2) shall not restrict the Cornerstone Investor from, following the third anniversary of the date of this Agreement, tendering, or permitting any of the Cornerstone Investor's Affiliates to tender, any or all of its Shares pursuant to a takeover bid (as defined in National Instrument 61-104 – *Take-Over Bids and Issuer Bids*) made by an acquiror (together with any joint actors) to holders of all of the Shares if the offer price is at least three times the book value of the Shares as shown on the statement of financial position included in the Company's most recent annual or quarterly, as applicable, financial statements filed on SEDAR.
- (3) Subject to providing the Company with prior written notice, the restrictions in Section 7.1(1) and Section 7.1(2) shall not restrict the Cornerstone Investor from, following the third anniversary of the date of this Agreement, and so long as the Performance Condition (as described below) is satisfied, entering into, or permitting any of the Cornerstone

Investor's Affiliates to enter into, one or more Derivative Transactions for the purpose of hedging up to the Permitted Portion of the Cornerstone Investor's risk exposure to the Applicable Shares, provided that each such Derivative Transaction is only entered into with a financial institution that is acting as a principal and on arm's length market terms and conditions and not with any intention, directly or indirectly, on the part of the Cornerstone Investor to cause or accommodate a Transfer of Lock-Up Securities or any right or entitlement to exercise, control or direct the exercise of voting rights under any Shares as a block to any predetermined person (it being recognized that a financial institution may in turn independently determine to sell Lock-Up Securities (including a short sale of Shares) by trading over the facilities of a stock exchange or organized securities market on which Shares are listed or quoted, so long as such trades are not pre-arranged). The Performance Condition will be satisfied if, at the end of the Company's most recent fiscal quarter, either: (A) the Market Value is more than [REDACTED] times the IPO Offering Price (as adjusted to take into account any subdivision, consolidation, reclassification or other similar change to the Shares); or (B) the total fair market value (calculated based on Market Value) of the Applicable Shares exceeds [REDACTED]% of the consolidated net asset value of all of the Cornerstone Investor's and its Affiliates' investment portfolio assets.

7.3 Early Termination of Lock-Up Period

- (1) Subject to Section 7.3(5), the Lock-Up Period shall expire upon a Management Departure Event.
- (2) Subject to Section 7.3(5), the Lock-Up Period shall expire if, following the third anniversary of the date of this Agreement, a Specified Executive is not in compliance with the Company's share ownership guidelines, as measured on December 31 of each year in accordance with the guidelines in effect at such time; provided, however, the Lock-Up Period shall not expire and the restrictions in Section 7.1(1) shall not terminate in circumstances where: (i) such Specified Executive cures such non-compliance with the guidelines by March 31 of the following year; (ii) the Board has granted a waiver in respect of the guidelines to a Specified Executive on the basis of separation, divorce or financial hardship; or (iii) the Cornerstone Investor approves of non-compliance by a Specified Executive of the guidelines on a case-by-case basis.
- (3) The Lock-Up Period shall expire if, following the third anniversary of the date of this Agreement, there is a downgrade of the financial strength rating of Economical Mutual Insurance Company by AM Best Rating Services below A- (and, for greater certainty, the provisions of Section 7.3(5) shall not apply).
- (4) Subject to Section 7.3(5), the Lock-Up Period shall expire if, following the third anniversary of the date of this Agreement, the Market Value on the relevant date is less than the Specified Market Value Threshold, and either one or both of the following has occurred:
 - (a) for any fiscal quarter ending on or after September 30, 2024, the sum of the gross written premiums of Economical Holdings and its subsidiaries during the Current Three-Year Period does not exceed the sum of gross written premiums of Economical Holdings and its subsidiaries during the Look-Back Three Year Period by at least 5%, excluding from the calculation of gross written premiums for both

periods any premiums derived from a regulated property and casualty insurance business acquired or sold by Economical Holdings or any of its subsidiaries during the initial 12-month period following the closing of the acquisition or sale, as applicable, of such business; or

- (b) for any fiscal quarter ending on or after September 30, 2024, the Company's trailing 12-quarter Operating ROE is below (x) the Specified ROE Threshold, and (y)(A) for the fiscal quarter ending on September 30, 2024, the Industry Average ROE plus 1%, or (B) for the fiscal quarters ending on or after December 31, 2024, the Industry Average ROE plus 2%.
- (5) The Cornerstone Investor and the Company agree that they will consult with each other in good faith from time to time regarding whether any event or combination of events which has occurred, or is likely to occur, is of such a nature that it would result in the expiry of the Lock-Up Period pursuant to Section 7.3(1), Section 7.3(2) or Section 7.3(4), respectively, and in particular, the Cornerstone Investor shall consult with the Company if it reasonably determines that the expiry of the Lock-Up Period pursuant to Section 7.3(1), Section 7.3(2) or Section 7.3(4), respectively, may be impending and a notice may be provided to the Company pursuant to this Section 7.3(5). The Cornerstone Investor agrees that if it has determined in good faith that any event or combination of events has occurred which may have resulted in the expiry of the Lock-Up Period pursuant to Section 7.3(1), Section 7.3(2) or Section 7.3(4), it will not take any action that is restricted during the Lock-Up Period pursuant to Section 7.1, and that is not otherwise permitted pursuant to Section 7.2, until such time as it is permitted to do so in accordance with this Section 7.3(5). Before taking any such action, the Cornerstone Investor will give written notice to the Company of its determination that the Lock-Up Period has expired and the Company shall have 12 Business Days following the provision of such written notice by the Cornerstone Investor to either: (x) provide written confirmation to the Cornerstone Investor that the Company agrees that the Lock-Up Period has in fact expired, in which case the Lock-Up Period shall be deemed to have expired as of the date of such confirmation; or (y) provide written notice to the Cornerstone Investor that the Company does not agree that the Lock-Up Period has expired and initiate any steps that the Company deems appropriate in a manner as contemplated by Section 10.8. Unless the Cornerstone Investor has agreed with the Company that the Lock-Up Period has not in fact expired, then following the expiry of such 12 Business Day period the Lock-Up Period shall be deemed to have expired (whether or not the Company has provided any notice to the Cornerstone Investor or taken any other action), subject to any relief that the Company may have obtained in a manner as contemplated by Section 10.8.

7.4 Maintenance of Ownership at or Below 19.9%

- (1) In the event that the Company establishes a normal course issuer bid under the rules of the TSX (or a similar share buyback program under the rules of any other stock exchange on which the Shares are listed) (a "**Share Buyback Program**") and determines to acquire Shares for cancellation under such Share Buyback Program, the Company shall, if the acquisition of Shares under such Share Buyback Program could reasonably be expected to increase the Cornerstone Investor's proportionate percentage ownership of Shares over 19.9% of the issued and outstanding Shares (on a non-diluted basis) after giving effect to

the purchase of the maximum number of Shares that the Company would be permitted to purchase pursuant to such Share Buyback Program, provide the Cornerstone Investor with notice thereof, including the maximum number of Shares that the Company reasonably expects to purchase pursuant to such Share Buyback Program. Notwithstanding Section 7.1, subject to the implementation thereof by the Company and subject to the approval of the TSX (and/or any other stock exchange on which the Shares are listed), and to applicable Securities Laws and other applicable laws (including any order or directive from a court, ministry or other governmental authority), and, if applicable, the federal securities laws of the United States, the Cornerstone Investor agrees that it shall enter into an Automatic Concurrent Repurchase and Disposition Plan; provided, however, in the event that the Company has publicly announced a Share Buyback Program and does not or cannot for any reason implement an Automatic Concurrent Repurchase and Disposition Plan that complies with all such requirements, and has not notified the Cornerstone Investor that it has abandoned its intention to acquire Shares for cancellation under such Share Buyback Program, the Cornerstone Investor shall be permitted to sell at any time and from time to time up to such number of Shares as is necessary in order for its proportionate percentage ownership of Shares to be equal to 19.9% of the issued and outstanding Shares (on a non-diluted basis) after giving effect to the purchase by the Company of the maximum number of Shares that the Company is permitted to purchase pursuant to such Share Buyback Program, any such sale of Shares to be effected: (i) over the facilities of a stock exchange or other organized securities market on which Shares are listed or quoted in circumstances where such trading is not pursuant to a block sale to any predetermined person or any other pre-arranged transaction; (ii) pursuant to a Prospectus in the context of an Underwritten Offering; or (iii) in such other manner as may be agreed upon by the Company and the Cornerstone Investor, each acting reasonably. The Company agrees, however, that purchases under a specific Share Buyback Program established during the period beginning on the date of this Agreement and ending on and including the day that is five years thereafter and in respect of which the Company is required to provide notice to the Cornerstone Investor pursuant to this Section 7.4(1), shall not, without the consent of the Cornerstone Investor, exceed 5% of the issued and outstanding Shares (over a 12-month period) as of the date of acceptance of the first notice of such Share Buyback Program provided by the TSX (or other stock exchange on which the Shares are listed and under which the Share Buyback Program is established).

- (2) Notwithstanding Section 7.1, in the event that Shares held by “lost recipients” (as such term is defined in the Conversion Plan) are cancelled by the Company pursuant to the terms of the Conversion Plan on or following the Lost Recipient Claim Deadline, the Cornerstone Investor agrees, subject to applicable Securities Laws and other applicable laws (including any order or directive from a court, ministry or other governmental authority), to sell such number of Shares prior to the Lost Recipient Claim Deadline as is necessary in order to maintain its proportionate percentage ownership under 20% of the issued and outstanding Shares (on a non-diluted basis) after giving effect to the maximum number of Shares that may be cancelled by the Company thereunder, any such sale of Shares to be effected (i) over the facilities of a stock exchange or other organized securities market on which Shares are listed or quoted in circumstances where such trading is not pursuant to a block sale to any predetermined person or any other pre-arranged transaction, or (ii) pursuant to a Prospectus in the context of an Underwritten Offering. In connection therewith, the Company shall:

- (a) advise the Cornerstone Investor at least 12 weeks prior to the Lost Recipient Claim Deadline as to the maximum number of Shares that may be cancelled by the Company; and
- (b) cooperate with the Cornerstone Investor in good faith to facilitate the sale of Shares by the Cornerstone Investor prior to the Lost Recipient Claim Deadline.

ARTICLE 8 ADDITIONAL COVENANTS OF THE PARTIES

8.1 Information Rights

- (1) For so long as the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to not less than 10% of the issued and outstanding Shares (on a non-diluted basis), the Company agrees to provide the Cornerstone Investor with copies of all financial reports or performance summaries prepared and delivered to the Board (each, a “**Reporting Package**”), except during any period or periods in respect of which the Cornerstone Investor has by written notice directed the Company not to provide the Cornerstone Investor with a Reporting Package.
- (2) Notwithstanding Section 8.1(1), the Company shall not be obligated to provide the Reporting Package (or parts thereof) to the Cornerstone Investor if the Company determines: (i) that doing so would reasonably be expected to violate applicable law or jeopardize the protection of solicitor-client privilege (provided, however, that the Company shall use commercially reasonable efforts to provide alternative, redacted or substitute documents or information in a manner that would not result in the loss of the ability to assert solicitor-client privilege); or (ii) that doing so would reasonably be expected to violate confidentiality obligations owed to a third party (provided, however, that the Company shall use commercially reasonable efforts to provide alternative, redacted or substitute documents or information in a manner that would not result in a violation of such confidentiality obligations).

8.2 Confidentiality Obligations

- (1) The Cornerstone Investor shall, and will cause its Representatives to, treat confidentially all Confidential Information. The Cornerstone Investor shall, and will cause its Representatives to, not disclose any Confidential Information or use any Confidential Information other than for the purposes of monitoring, administering or managing the Cornerstone Investor’s investment in the Company; provided that, subject to Section 8.2(2), the Cornerstone Investor may disclose any of the Confidential Information to its Representatives.
- (2) As a condition to the furnishing of Confidential Information to a Representative, the Cornerstone Investor shall inform such Representative of the confidential nature of, and restriction on use of, such Confidential Information. The Cornerstone Investor shall be responsible for any breach of the confidentiality and restricted use provisions of this Section 8.2 applicable to its Representatives by its Representatives (unless such Representative has obligations of confidentiality directly to the Company and its Subsidiaries). The Cornerstone Investor shall take all reasonable measures, at the

Cornerstone Investor's sole expense, to restrain its Representative from making unauthorized disclosure or use of the Confidential Information.

- (3) The Cornerstone Investor acknowledges that it is subject to restrictions imposed by applicable Securities Laws on the purchase or sale of securities of the Company while in the possession of material non-public information concerning the Company, and on the communication of that information to any other Person. The Cornerstone Investor agrees to inform those of its Representatives provided with any Confidential Information of such restrictions and to abide by, and to ensure its Representatives abide by, such restrictions.
- (4) Confidential Information shall at all times remain the property of the Company or one or more of the Company's Affiliates, as the case may be, and by making Confidential Information or other information available to the Cornerstone Investor, neither the Company nor any of the Company's Affiliates shall be deemed to be granting any licence or other right under or with respect to any trade secret, patent, copyright, trademark or other proprietary or intellectual property right.
- (5) If the Cornerstone Investor or any of its Representatives is requested or required to disclose all or any part of the Confidential Information in order to comply with any subpoena, order, regulation, ruling or request of any judicial, administrative or legislative body or committee or any self-regulatory body (including any securities or commodities exchange or the Financial Industry Regulatory Authority), or otherwise as requested or required by applicable law or regulation, the Cornerstone Investor shall, to the fullest extent permitted by law, (a) promptly notify the Company of the request or requirement, (b) consult with the Company on the advisability of taking legally available steps to resist or narrow the request or lawfully avoid the requirement, and (c) if requested by the Company, cooperate with the Company (at the Company's expense) to seek a protective order or other appropriate remedy. If a protective order or other remedy is not available, or if the Company waives compliance with the provisions of this Section 8.2(5), the Cornerstone Investor or its Representatives, as the case may be, may disclose to the Person requiring disclosure only that portion of the Confidential which the Cornerstone Investor is advised by written opinion of counsel is legally required to be disclosed, and shall exercise the Cornerstone Investor's best efforts to obtain assurance that confidential treatment will be accorded such portion.
- (6) At any time following the first date on which the Cornerstone Investor and any Permitted Transferees hold Applicable Shares equal to less than 10% of the issued and outstanding Shares (on a non-diluted basis), upon request by the Company, the Cornerstone Investor shall, and shall cause its Representatives to: (a) return promptly to the Company all physical copies of the Confidential Information, excluding Notes, then in the Cornerstone Investor's possession or in the possession of its Representatives; and (b) destroy all (i) electronic copies of the Confidential Information and (ii) all Notes (including electronic copies thereof) prepared by Cornerstone Investor or any of its Representatives, in a manner that ensures that such Notes may not be retrieved or undeleted by the Cornerstone Investor or any of its Representatives. Notwithstanding the foregoing, the Company acknowledges and agrees that the Cornerstone Investor will be permitted to retain (and not be under any obligation to return or destroy): (A) any Confidential Information that is contained in automatically generated electronic back-up files in the Cornerstone Investor's computers

or the computers of any of the its Representatives that cannot be destroyed without undue efforts and to which access is limited; or (B) any Confidential Information that the Cornerstone Investor or its Representatives are required to keep as a matter of legal or regulatory obligation, governmental or court order; provided that, in each case, any Confidential Information is retained in accordance with the terms and conditions of this Agreement.

ARTICLE 9 TERMINATION

9.1 Termination

Except to the extent specified otherwise in this Agreement, this Agreement shall terminate upon the earlier to occur of:

- (a) the date on which the Cornerstone Investor no longer owns any Registrable Shares;
- (b) the date on which this Agreement is terminated by mutual consent of the parties; and
- (c) the dissolution or liquidation of the Company.

Notwithstanding the foregoing, Section 4.6 through to and including Section 4.12, Article 2, this Section 9.1 and Article 10 shall survive the termination of this Agreement indefinitely and Section 8.2 shall survive the termination of this Agreement for two years following such termination.

ARTICLE 10 GENERAL

10.1 Notices

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:
 - (i) in the case of the Cornerstone Investor:

Healthcare of Ontario Pension Plan Trust Fund
1 York Street, Suite 1900
Toronto, Ontario M5J 0B6

Attention: Adrian Mitchell
E-mail: **[REDACTED - PERSONAL INFORMATION]**

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

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto, ON M5X 1B8

Attention: Rob Lando
E-mail: **[REDACTED - PERSONAL INFORMATION]**

(ii) in the case of the Company:

Definity Financial Corporation
121 King Street West, Suite 1400
Toronto, ON M5H 3T9

Attention: Philip Mather
E-mail: **[REDACTED - PERSONAL INFORMATION]**

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

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000
200 Commerce Court West
Toronto, ON
M5L 1A9

Attention: Paul Belanger
E-mail: **[REDACTED - PERSONAL INFORMATION]**

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted by email or personally by hand (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. (Toronto time) at the place of receipt, then on the next following Business Day) or, if mailed by internationally recognized overnight courier, on the Business Day following the date of mailing; provided, however, that if at the time of mailing or within two Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.
- (c) Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 9.1.

10.2 Changes in Capital

The terms of this Agreement shall apply *mutatis mutandis* to any shares or other securities:

- (a) resulting from the conversion, reclassification, redesignation, subdivision, consolidation of other change to any of the shares of the Company held by the Cornerstone Investor; or
- (b) of the Company or any successor body corporate that may be received by the Cornerstone Investor on a merger, amalgamation, arrangement or other reorganization of or including the Company; and

prior to any action referred to in (a) or (b) above being taken the parties shall give due consideration to any changes that may be required to this Agreement in order to give effect to the intent of this Section 10.2.

10.3 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

10.4 Assignment

Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by any party (whether by operation of law or otherwise) without the prior written consent of the other party; provided that notwithstanding the foregoing, (a) the Company shall be permitted to assign this Agreement and its rights, interests and obligations hereunder without the prior written consent of the Cornerstone Investor to the successor or surviving entity in any amalgamation, merger, arrangement or other business combination or other transaction involving a change of control of the Company, and (b) this Section 10.4 shall not prohibit any Transfer permitted under Article 7; provided, further, that in the event of any such assignment pursuant to clause (b), the Cornerstone Investor will remain liable for all of its obligations under this Agreement.

10.5 Public Filing

The Cornerstone Investor acknowledges that the Company will file this Agreement on SEDAR if required to do so by applicable Securities Laws in connection with the completion of the IPO.

10.6 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the parties and their respective successors and permitted assigns.

10.7 Further Assurances

Subject to the terms and conditions hereof, each of the parties shall, from time to time hereafter and upon any reasonable request of the other party, promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement and the transactions contemplated thereby.

10.8 Specific Performance

The parties agree that irreparable harm would occur, for which money damages would not be an adequate remedy at law, in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties may seek injunctive relief, specific performance and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement without the proof of actual damages and without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the parties may be entitled at law, equity or under this Agreement.

10.9 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts (including by email or scanned pages), with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement. Electronic signatures (including by DocuSign) and electronic pdf signatures (including by email or scanned pages) shall be acceptable as a means of executing such documents.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first written above.

**DEFINITY FINANCIAL
CORPORATION**

Per: (signed) “*Rowan Saunders*”
Name: Rowan Saunders
Title: President and Chief Executive
Officer

Per: (signed) “*Philip Mather*”
Name: Philip Mather
Title: Executive Vice-President and
Chief Financial Officer

**HEALTHCARE OF ONTARIO
PENSION PLAN TRUST FUND**

Per: (signed) “*Adrian Mitchell*”
Name: Adrian Mitchell
Title: Vice President, Public Equities

Per: (signed) “*James Sorbo*”
Name: James Sorbo
Title: Senior Portfolio Manager, Public
Equities

SCHEDULE A REGISTRATION RIGHTS PROCEDURES

In connection with the Company's obligations pursuant to the provisions of this Agreement to effect the qualification of (i) Qualifying Shares in connection with a Demand Registration, and (ii) Piggy-Back Shares in connection with a Piggy-Back Registration (any such Registrable Shares subject to a Distribution are hereinafter collectively referred to as the "**Offered Shares**"), the Company shall:

- (a) as expeditiously as reasonably practicable (and in any event not more than 60 calendar days after receipt of a Demand Notice or such shorter period as may be required under applicable Securities Laws in the case of a Bought Deal), prepare and file with the appropriate Canadian Securities Regulatory Authorities a Prospectus and any other documents reasonably necessary, including amendments and supplements in respect of those documents, to qualify for Distribution the Offered Shares and, in so doing, act as expeditiously as is reasonably practicable and in good faith to settle all deficiencies and obtain those receipts and clearances and provide those undertakings and commitments as may be reasonably required by any Canadian Securities Regulatory Authority, all as may be necessary to permit the Distribution of the Offered Shares in compliance with applicable Securities Laws and the provisions of this Agreement;
- (b) furnish to the Cornerstone Investor such number of copies of the Prospectus (including any preliminary prospectus), including any amendment and supplement thereto, any documents incorporated by reference in such Prospectus and such other documents as the Cornerstone Investor may reasonably request in order to facilitate the Distribution of the Offered Shares;
- (c) if an Underwritten Offering is contemplated, execute and perform the obligations under an underwriting agreement or agency agreement, in a form satisfactory to the Company, acting reasonably, containing customary representations, warranties and indemnities for the benefit of the Cornerstone Investor and the underwriter(s), use commercially reasonable efforts to cause members of management to participate in "road shows" and other marketing activities to the extent requested by the underwriter(s), and use commercially reasonable efforts to take all other actions as would be customary for an issuer to assist with and facilitate the completion of an Underwritten Offering on behalf of a selling securityholder;
- (d) in the case of a Demand Registration, subject to applicable Securities Laws, keep the Prospectus effective until the Cornerstone Investor has completed the sale or disposition described in the Prospectus, but for no longer than 60 calendar days, provided that the Cornerstone Investor uses commercially reasonable efforts to complete the sale or disposition as soon as reasonably practicable;
- (e) use its commercially reasonable efforts to obtain a customary legal opinion of the Company's counsel addressed to the Cornerstone Investor and the underwriter(s);
- (f) notify the Cornerstone Investor promptly of the happening of any event as a result of which the Prospectus includes an untrue statement of a material fact, or omits to

state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made, or if it is necessary to amend or supplement such Prospectus to comply with applicable Securities Laws, and to promptly prepare and file with the applicable Canadian Securities Regulatory Authorities a supplement to or amendment of such Prospectus as may be reasonably necessary to correct such untrue statement or eliminate such omission so that such Prospectus, as amended or supplemented, will comply with law, and furnish to the Cornerstone Investor as many copies of such supplement or amendment as the Cornerstone Investor may reasonably request;

- (g) use its commercially reasonable efforts to prevent the issuance of any cease trade order suspending the use of any Prospectus, and if any such order is issued, to promptly obtain the withdrawal of any such order;
- (h) subject to entering into a confidentiality agreement satisfactory to the Company, acting reasonably, give the Cornerstone Investor and its counsel, accountants and other agents and the underwriter(s) and/or its advisors participating in any Distribution the opportunity to participate in the preparation of the Prospectus, and each amendment thereof or supplement thereto, and allow the Cornerstone Investor to conduct any due diligence investigations which Cornerstone Investor reasonably requests in order to assist Cornerstone Investor in establishing any available due diligence defence pursuant to applicable Securities Laws and enabling the Cornerstone Investor to responsibly execute any applicable certificate in the Prospectus to be executed by them; and
- (i) take such other actions and execute and deliver such other documents as may be reasonably necessary to give full effect to the Cornerstone Investor's Demand Registration and Piggy-Back Registration rights under this Agreement.