

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is dated effective as of the 24th day of September, 2024

AMONG:

PHARMACORP RX INC. (the “**Purchaser**”)

-AND-

[VENDOR REDACTED]

RECITALS:

- A. [Name Redacted] (the “**Corporation**”) carries on the Business (as defined below);
- B. The Vendors collectively own all of the issued and outstanding shares in the capital of the Corporation as of the date of this Agreement;
- C. The Purchaser is desirous of purchasing and the Vendors are desirous of selling:
 - (a) 346 Class A Preferred Shares and 393.5 Class B Preferred Shares owned by [Name redacted], being all of the issued and outstanding shares of the Corporation owned by [Name Redacted];
 - (b) 100 Class B Common Shares and 16,722 Class G Preferred Shares, being all of the issued and outstanding shares of the Corporation owned by [Name Redacted]

in aggregate representing 100% of the issued and outstanding shares in the capital of the Corporation [Name Redacted], collectively, the “**Purchased Shares**”).

NOW THEREFORE, in consideration of the mutual covenants herein contained and set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, each Party hereby agrees as follows:

ARTICLE 1 DEFINITIONS

1.01 Definitions

In this Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

- (a) “**2024 Normalized EBITDA**” means [Amount Redacted] ;
- (b) “**Accounts Payable**” of the Corporation means, as at any particular date, amounts owing to any person by the Corporation which are incurred in connection with the employment of any employees of the Corporation, engagement of any contractors by the Corporation, or the purchase by the Corporation of goods or services in the ordinary course of the Business;

- (c) “**Accounts Receivable**” of the Corporation means, as at any particular date, accounts receivable, trade accounts receivable, notes receivable, book debts and other debts due or accruing due to the Corporation, including all trade amounts receivable and any claim, remedy or other right related to any of the foregoing, and the full benefit of any related security on such date;
- (d) “**Act**” means the [Province redacted] as in effect on the date hereof and any amendments thereto;
- (e) “**Action**” means an action, suit or other legal proceeding, including appeals and applications for review, or any governmental investigation;
- (f) “**Affiliate**” shall have the meaning ascribed thereto in the Act;
- (g) “**Agreement**” means this share purchase agreement including the Schedules, Exhibits and all amendments hereto made by written agreement between the Parties;
- (h) “**Arm’s Length**” shall have the meaning ascribed thereto in the Tax Act;
- (i) “**Assets of the Corporation**” means the undertaking, property and assets of the Corporation of every kind and description and wherever situated including the assets used in operating the Business as a going concern, which include but are not limited to:
 - (i) cash in the Corporation’s bank accounts, the Float and deposits and cheques that have not yet cleared the Corporation’s bank account(s), in each case as at the Effective Time;
 - (ii) all Accounts Receivable as at the Effective Time;
 - (iii) all prepaid expenses and miscellaneous receivables, if any, including income taxes and GST, or HST recoverable;
 - (iv) the Capital Assets;
 - (v) the Goodwill;
 - (vi) the Pharmacy Contracts; and
 - (vii) the Inventory;
- (j) “**Associate**” shall have the meaning ascribed thereto in the Act;
- (k) “**Authorization**” means, with respect to any person, any order, permit, approval, consent, waiver, license, registration, or other similar authorization provided by any Governmental Authority having jurisdiction over the person;
- (l) “**Authorized Capital**” means the share capital that the Corporation is authorized to issue pursuant to its constating documents, as set out in Schedule 1.01(l);
- (m) “**Balance Sheet Date**” means April 30, 2024;

- (n) **“Books and Records”** means all books and records (including paper and electronic format) of any nature and in any form whatsoever, other than Corporate Records, related to the relevant person including financial records, all books and records related to the Business, all books and records required to be maintained under the Tax Act, the *Excise Tax Act* (Canada) and any other applicable Laws, corporate, operations and sales books, records (including purchase orders and invoices), books of account, product brochures and presentations, sales and purchase records, lists of suppliers and customers, patient files, business reports, plans and projections and all other documents, surveys, files, records, correspondence, and databases located and hosted on any server in connection with the Business and information, financial or otherwise, including all data and information stored on computer-related or other electronic media, including all documents contained in the Data Room;
- (o) **“Buildings”** means collectively, the one story 16,436 square foot steel and wood frame building and the 1,200 square foot detached storage shed located on the Lands;
- (p) **“Business”** means the pharmacy business and retail store carried on by the Corporation at the Location;
- (q) **“Business Day”** means any day, other than a Saturday or a Sunday or any day that is a civic or statutory holiday in Saskatchewan, the Province or any day on which the principal commercial banks located in the City of Calgary in the Province of Alberta or the [Location redacted] in the Province are not open during normal banking hours;
- (r) **“Capital Assets”** means (i) all non-leased fixtures, furniture, equipment, leasehold improvements, computer equipment and computer software for which title is legally and beneficially held by the Corporation and which are located physically within or used substantially for the operation of the Business, which property as at the date of this Agreement is described in Schedule 1.01(r); and (ii) the Supplies;
- (s) **“CEBA”** means the Canada Emergency Business Account;
- (t) **“CEBA Loan”** means any indebtedness of the Corporation in connection with CEBA;
- (u) **“CERS”** means the Canada Emergency Rent Subsidy;
- (v) **“CEWS”** means the Canada Emergency Wage Subsidy;
- (w) **“Claim”** means all claims, demands, proceedings, Actions and causes of action;
- (x) **“Closing”** means the completion of the purchase and sale of the Purchased Shares;
- (y) **“Closing Date”** means on or before 9:00 a.m. [Province redacted] time on October 1, 2024, or such other date and time as may be mutually agreed upon in writing by the Parties, in each case with effect as of the Effective Time;
- (z) **“Closing Statements”** means the NAV Closing Statements;
- (aa) **“Computer Systems”** means all computer hardware, peripheral equipment, software and firmware, processed data, technology infrastructure and other computer systems and services that are used by or accessible to the Corporation to receive, store, process or

transmit data or to otherwise carry on the Business or to carry on its day to day operations and affairs;

- (bb) “**Contract**” means any agreement, indenture, contract, lease, deed of trust, license, option, obligation, promise, undertaking, understanding, arrangement, document, commitment, entitlement, engagement, instrument or other legally binding commitment (in each case, whether written or oral, express or implied), including the Service Contracts;
- (cc) “**Corporate Records**” means the corporate minute books of the Corporation, including:
 - (i) all articles or similar constating documents, by-laws, any unanimous shareholder agreement and any amendments to any such documents; (ii) all minutes of meetings and resolutions of shareholders, directors and any committees thereof and any whitewash resolutions affirming prior decisions of shareholders, directors, and officers; and (iii) the share certificate books, register of shareholders, register of transfers and register of directors, if any;
- (dd) “**Corporation**” shall have the meaning ascribed thereto in Recital A;
- (ee) “**COVID-19**” means the novel coronavirus disease (COVID-19) or any evolution or variant thereof;
- (ff) “**Current Accountants**” means the current accountants of the Corporation, being [Redacted Name];
- (gg) “**Current Assets**” means “current assets” of the Corporation as determined pursuant to CPA Canada Handbook Part II - Accounting Standards for Private Enterprises applicable as at the date on which the calculation is made or required to be made in accordance with accounting principles, consistent with past accounting practices of the Corporation, and for further clarity, includes but is not limited to cash, Accounts Receivable, HST receivable, Inventory Value, Supplier Rebates, Supplies Value, prepaid expenses, and deposits;
- (hh) “**Current Liabilities**” means “current liabilities” of the Corporation as determined pursuant to CPA Canada Handbook Part II - Accounting Standards for Private Enterprises applicable as at the date on which the calculation is made or required to be made in accordance with accounting principles, consistent with past accounting practices of the Corporation, and for further clarity includes:
 - (i) Accounts Payable and accrued liabilities including any customer loyalty points (as quantified and accrued historically by the Corporation in its Financial Statements) and gift certificate liabilities, payroll liabilities such as accrued and unpaid amounts owing to employees on account of wages, bonuses, and vacation pay, to the extent that such amounts are not included in the definition of Accounts Payable;
 - (ii) Taxes payable; and
 - (iii) deferred revenue,

provided that Current Liabilities shall not include Excluded Liabilities to the extent that they constitute Current Liabilities.

- (ii) **“Data Room”** means the electronic data room established by or on behalf of the Vendors and the Corporation and all documents contained in or uploaded to such data room up to the Effective Time;
- (jj) **“Direct Claim”** shall have the meaning ascribed thereto in Section 13.03(a);
- (kk) **“Effective Time”** means 12:01 a.m. local time in [Location redacted] in the Province, on the Closing Date;
- (ll) **“Employee Plans”** shall have the meaning ascribed thereto in Section 7.15;
- (mm) **“Employees”** shall have the meaning ascribed thereto in Section 7.14;
- (nn) **“Enterprise Value”** means [Calculation redacted];
- (oo) **“Environmental Laws”** shall have the meaning ascribed thereto in Section 7.33(a);
- (pp) **“Excluded Employees”** shall have the meaning ascribed thereto in Section 9.06(b);
- (qq) **“Excluded Inventory”** means the following:
 - (i) damaged, expired, obsolete, worn, defective or unsaleable goods;
 - (ii) broken packages;
 - (iii) merchandise more than two years old on the Closing Date;
 - (iv) front store (retail) merchandise (including OTC Products) with an expiry date less than 30 days after the Closing Date; and
 - (v) Rx (prescription) pharmaceuticals with an expiry date less than 30 days after the Closing Date;
- (rr) **“Excluded Liabilities”** means (a) all liabilities for borrowed money, guarantees, and other indebtedness (including the current portion thereof); (b) all liabilities associated with the occupancy of the Location, if any (including the current portion thereof); and (c) deferred tax. For greater certainty, Excluded Liabilities shall not include trade obligations and normal accruals in the ordinary course of business;
- (ss) **“Excluded Supplies”** means the following:
 - (i) damaged, expired, obsolete, worn, defective or unusable supplies;
 - (ii) broken packages; and
 - (iii) supplies more than two years old on the Closing Date; and
 - (iv) supplies with an expiry date less than 30 days after the Closing Date;
- (tt) **“Financial Statements”** means the financial statements of the Corporation for each of the fiscal years ended April 30, 2023 and April 30, 2024, as well as the interim financial statements of the Corporation for the three (3) month period ended July 31, 2024,

comprised of the balance sheets, statements of earnings (loss), retained earnings (deficit) and notes in relation to the same, for the fiscal periods then ended, copies of which are attached collectively as Schedule 1.01(tt);

- (uu) **“Float”** means the amount of cash held on hand at the Location representing the readily available cash usually held by the Corporation for the purposes of operating the Business in the ordinary course;
- (vv) **“Goodwill”** means all of the goodwill of the Business, including:
 - (i) the prescription files and lists, patient record files, customer lists, sales records, library and such other Books and Records of the Business (including all electronic data and computer back-up data, such as tapes, disks or other);
 - (ii) the Corporation’s interest in and right to any Service Contracts;
 - (iii) the Intellectual Property Rights; and
 - (iv) the Corporation’s interest in the telephone and facsimile numbers, email address(es), internet domain name(s), web site(s), and social media accounts of the Business.
- (ww) **“Governmental Authority”** means any governmental or regulatory authority, body, agency or department, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity whether federal, provincial or municipal, including the Pharmacy Board, having jurisdiction over any of the Vendors, the Corporation or any aspect of the Business;
- (xx) **“Hazardous Substances”** shall have the meaning ascribed thereto in Section 7.33(a);
- (yy) **“Homes”** means assisted living facilities, group homes, long term care facilities, nursing homes, and any other similar residential or governmental care facilities or homes;
- (zz) **“Indemnified Party”** shall have the meaning ascribed thereto in Section 13.03(a);
- (aaa) **“Indemnifying Party”** shall have the meaning ascribed thereto in Section 13.03(a);
- (bbb) **“Insurance Policies”** shall have the meaning ascribed thereto in Section 7.21(a);
- (ccc) **“Intellectual Property Rights”** means all patents and inventions, trade-marks, trade names and styles, including the Trade Name, logos and designs, trade secrets, technical information, engineering procedures, designs, know-how and processes (whether confidential or otherwise), software, and other industrial property (including applications for any of these) in each case used or reasonably necessary to permit satisfactory operation of the Business as constituted on the date of this Agreement and all other intellectual property owned by, licensed to or used by the Corporation in connection with the Business and/or the Assets of the Corporation;

- (ddd) **“Interim Period”** means the period between the close of the business on the date of this Agreement and the Effective Time;
- (eee) **“Inventory”** means all inventories held for sale by the Corporation for which title is legally and beneficially held by the Corporation, including lottery inventory and post office inventory, if any, in good and saleable condition, other than Excluded Inventory.
- (fff) **“Inventory Count Firm”** means the Current Accountants, or such other Person as the Parties agree to in writing;
- (ggg) **“Inventory Value”** means the value of the Inventory (other than the Excluded Inventory) being the lower of the Corporation’s actual cost and net realizable value to the Corporation, except: (i) generic prescription pharmaceuticals which shall be valued at net invoice cost less any customary discounts determined by the Parties, acting reasonably, and calculated in a manner consistent with prior year calculations of such discount by the Corporation with the intention of valuing generic prescription pharmaceuticals at the actual cost of same to the Corporation; and (ii) branded prescription pharmaceuticals, which will be valued at net invoice cost less any customary discounts determined by the Parties, acting reasonably, and calculated in a manner consistent with prior year calculations of such discount by the Corporation with the intention of valuing branded prescription pharmaceuticals at the actual cost of same to the Corporation, and provided that all non-liquid Rx (prescription) pharmaceuticals contained in open vials or bottles that are otherwise saleable, as mutually agreed between the Parties, each acting reasonably, shall be deemed to contain the remaining proportion of the total number of pharmaceuticals estimated by the Inventory Count Firm to be contained in the open vial or bottle, rounded to the nearest 1/10th percent; **PROVIDED** that Inventory Value shall be adjusted for Inventory, valued immediately prior to Closing, in accordance with industry standards, and for clarity, all generic pharmaceutical Inventory to be discounted by 50% off the most recent invoice price and brand name pharmaceutical inventory to be discounted by 4% off the most recent invoice price and all other inventory will be valued at cost, less rebate amounts.
- (hhh) **“Lands”** means the lands municipally described as [Location redacted];
- (iii) **“Laws”** means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, federal or provincial judgments, orders, decisions, rulings or awards binding on or affecting the person or matter(s) referred to in the context in which the word is used;
- (jjj) **“Legal Proceedings”** means any action, suit, complaint, workers compensation claim, charge of discrimination, litigation, arbitration, proceeding or investigation commenced, brought, conducted or heard by or before any court or other agency or any arbitrator or arbitration panel;
- (kkk) **“Liabilities of the Corporation”** means all liabilities of the Corporation, determined as of the Effective Time, including:
 - (i) bank or other long or short term indebtedness, if any;
 - (ii) Accounts Payable and accrued liabilities including any customer loyalty points (as quantified and accrued historically by the Corporation in its Financial Statements) and gift certificate liabilities, payroll liabilities such

as accrued and unpaid amounts owing to employees on account of wages, bonuses, and vacation pay (to the extent such amounts are not included in the definition of Accounts Payable);

- (iii) loans payable; and
- (iv) Taxes payable;
- (III) “**Lien**” means any bond, debenture, deed of trust, charge, mortgage, note, pledge, security interest, encumbrance, lien (statutory or otherwise), hypothecation, assignment, restriction on transfer, right of refusal, pre-emptive right, claim or charge of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the PPSA or comparable law of any jurisdiction in connection with such bond, debenture, deed of trust, charge, mortgage, note, pledge, security interest, encumbrance, lien, hypothecation or charge) or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- (mmm) “**Location**” means the location of the Business, operating from a portion of the Buildings comprising approximately 14,300 square feet and the portion of the Lands located adjacent to the Buildings for the purposes of parking, ingress and egress;
- (nnn) “**Losses**” in respect of any Claim, means all losses, damages, liabilities, deficiencies, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising as a consequence of such matter, but excluding special, consequential, aggravated, exemplary and/or punitive damages;
- (ooo) “**Material Adverse Effect**” with respect to either the Corporation or the Business means a change (or effect), in the condition (financial or otherwise), properties, assets, liabilities, rights, obligations, operations, business or prospects of the Corporation or the Business, which change (or effect) individually or in the aggregate, is materially adverse to such condition, properties, assets, liabilities, rights, obligations, operations, business or prospects of the Corporation or the Business, having a material adverse effect in excess of [Amount redacted];
- (ppp) “**Material Contracts**” shall have the meaning ascribed thereto in Section 7.19(a);
- (qqq) “**material fact**” has the meaning given in the *Securities Act* ([Province redacted]);
- (rrr) “**McKesson**” means McKesson Canada Corporation;
- (sss) “**misrepresentation**” has the meaning given in the *Securities Act* ([Province redacted]);
- (ttt) “**NAV Closing Materials**” has the meaning ascribed thereto in Section 6.01(b);
- (uuu) “**NAV Closing Statements**” means the unaudited, compilation financial statements of the Corporation as of the close of business on the day preceding the Closing Date, prepared by the Current Accountants of the Corporation in accordance with past practices except as otherwise provided for herein, which shall include the Net Asset Value Adjustment;

- (vvv) “**NAV Statement Date**” means the date on which the NAV Closing Materials are to be delivered to the Purchaser, which shall be within 120 days after the Closing Date (or any mutually agreed upon extension thereof);
- (www) “**Net Asset Value**” means an amount equal to the value of the Current Assets of the Corporation minus the Current Liabilities of the Corporation, determined as of the Effective Time. For the purpose only of calculating the Net Asset Value, the value of the Inventory shall be equal to the Inventory Value, the value of the Supplies shall be equal to the Supplies Value, and the amount of the Uncollected Receivables, which shall be calculated pursuant to and in accordance with Section 9.05 of the Agreement, shall be deducted from the Net Asset Value. Attached for reference at Schedule 1.01(www) is an example of the calculation of Net Asset Value (for illustrative purposes only) as of April 30, 2024;
- (xxx) “**Net Asset Value Adjustment**” means an amount equal to 100% of the Net Asset Value;
- (yyy) “**OTC Products**” means all products recognized as having therapeutic or prophylactic properties when applied to or taken into the human body which are available for sale in Canada without prescription, including without limitation analgesics, cough and cold remedies, infant formula, diabetic care products, homeopathic products, eye and ear care products, skin care products including acne care and lip balms, internal remedies including antacids, laxatives, sedatives, stimulants and anti-nausea products, and which are commonly referred to as over-the counter products;
- (zzz) “**Original Purchase Price**” has the meaning ascribed thereto in Section 4.01(a);
- (aaaa) “**Parties**” means the Vendors and the Purchaser and “**Party**” means any one of them;
- (bbbb) “**Permitted Encumbrances**” means those encumbrances listed in Schedule 1.01(bbbb) annexed hereto;
- (cccc) “**person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (dddd) “**PharmaChoice**” means PharmaChoice Canada Inc.;
- (eeee) “**PharmaChoice Agreement**” means, collectively, the agreements made between the Corporation and PharmaChoice (among others, as applicable) in respect of the Business;
- (ffff) “**Pharmacy Board**” means the [Province redacted];
- (gggg) “**Pharmacy Contracts**” means the Contracts for purchase of services, non-retail products, merchandise inventory, OTC Products, branded drugs, generic drugs and/or any wholesale or banner agreement including the PharmaChoice Agreement;
- (hhhh) “**Pharmacy Inventory**” means all Inventory held for sale by the Corporation at the pharmacy dispensary at the Business, including all prescription drugs and generic prescription pharmaceuticals;

- (iii) **“PPSA”** means *Personal Property Security Act* ([Province redacted]);
- (jjj) **“Pre-Closing Transactions”** has the meaning set out in Section 9.07;
- (kkk) **“Property”** means collectively, the Lands and Buildings;
- (lll) **“Property Owner”** means [Name redacted], the registered owner of the Property;
- (mmm) **“Property Owner Shareholder”** means [Names redacted];
- (nnn) **“Province”** means the province of [Province redacted];
- (ooo) **“Purchase Price”** shall have the meaning ascribed thereto in Section 4.01;
- (ppp) **“Purchased Shares”** has the meaning ascribed thereto in the above recitals to this Agreement;
- (qqq) **“Purchaser’s Conditions”** means the conditions set out in Section 10.01;
- (rrr) **“Purchaser’s Counsel”** means DLA Piper (Canada) LLP;
- (sss) **“Service Contracts”** means contracts or arrangements for services (in writing or otherwise) by way of delivery to patients of the Business, and contracts or arrangements for services (in writing or otherwise) to Homes as at the Closing Date as more particularly described in Schedule 1.01(sss);
- (ttt) **“Software”** means computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs;
- (uuu) **“Store Inventory”** means all Inventory other than the Pharmacy Inventory;
- (vvv) **“Supplier Rebates”** means all benefits of the Corporation received or to be received from its suppliers and/or third-party inventory providers as a result of any goods shipped, services rendered, rebates and/or promotional allowances that relate to the Business for the period prior to the Closing Date, and any claim, remedy or other right related to any of the foregoing, including, without limitation, pharmaceutical rebates, payments from generic drug manufacturers, suppliers or wholesalers and any “seller’s prizes” from Atlantic Lottery;
- (www) **“Supplies”** means the supplies used by the Corporation in connection with the sale of non-pharmacy products and the dispensing of pharmaceuticals, and includes vials, bottles, labels, bags, toners, and compliance packaging, other than Excluded Supplies;
- (xxx) **“Supplies Value”** means the value of the Supplies (other than the Excluded Supplies), being the Corporation’s actual cost of Supplies;
- (yyy) **“Tax Act”** means the *Income Tax Act* (Canada) as amended from time to time;
- (zzz) **“Taxes”** means all taxes, fees, duties, levies, assessments or reassessments and other charges of any nature whatsoever, whether direct or indirect including income, provincial health insurance plan premiums, Canada pension plan contributions, employment

insurance premiums, workers' compensation and other payroll taxes or levies, deductions at source, non-resident withholding, municipal, corporation, capital, sales, retail, excise, profits, gross receipts, customers duties, transfer, business, provincial sales and goods and services taxes, excise, property, franchise, intangible, social security and unemployment taxes, and any taxes or assessments arising from CEWS and/or CERS supplements or other government programs or COVID-19 subsidies, including any and all of the foregoing imposed by any Governmental Authority operating or contained in any of the foregoing, and any interest, penalties, and fines related thereto;

(aaaaa) **"Third Party"** shall have the meaning ascribed thereto in Section 13.05(b);

(bbbbb) **"Third-Party Claim"** shall have the meaning ascribed thereto in Section 13.03(a);

(ccccc) **"Trade Names"** means all trade names used by the Corporation in the operation of the Business, all of which are set out in Schedule 1.01(ccccc);

(ddddd) **"Transaction"** means the purchase and sale of the Purchased Shares contemplated by this Agreement;

(eeeee) **"Transaction Costs"** means all legal, accounting, tax consulting, and other fees and expenses, including any government filing fees incurred, paid or payable by the Parties in connection with the Transaction;

(fffff) **"TSXV"** means the TSX Venture Exchange;

(ggggg) **"Uncollected Receivables"** shall have the meaning ascribed thereto in Section 9.05(a);

(hhhhh) **"Vendors' Counsel"** means [Law firm redacted];

(iiiiii) **"[Name redacted]"** means the share purchase agreement among the Purchaser and the Property Owner Shareholder for the purchase by the Purchaser of the Property Owner.

1.02 Knowledge

Any reference to "the knowledge" or "the best of the knowledge" of any of the Vendors or words to like effect (such as the "Vendors are not aware") will be deemed to mean those facts or circumstances actually known or which reasonably should have been known by the Vendors upon conducting a due and reasonable inquiry of the responsible officers and employees of the Corporation and into the relevant subject matter (it being understood and agreed that the Vendors shall have no obligation to make any inquiries of any Third Party or Governmental Authorities).

1.03 Additional Rules of Interpretation

Grammatical variations of any of the terms defined in Section 1.01 shall have corresponding meanings. Where the context so permits, words importing the singular number shall include the plural and vice versa and words importing the use of any gender shall include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".

1.04 Sections and Headings

The division of this Agreement into Articles, Sections, Subsections and Clauses and the insertion of headings are for convenience and reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and the Exhibits and Schedules hereto and not to any particular Article, Section, Subsection, Clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party shall not be applicable to the interpretation of this Agreement.

1.05 Joint and Several

In this Agreement, all representations, warranties, indemnities, obligations and covenants of and by the Vendors or any of the Vendors, as applicable, shall be deemed to be joint and several as to each of the persons comprised by the Vendors.

1.06 Obligations and Agreements as Covenants

Each agreement and obligation of each Party hereto in this Agreement, even though not expressed as a covenant, shall be considered for all purposes to be a covenant.

1.07 Currency

All references to currency in this Agreement shall be deemed to be references to Canadian dollars.

1.08 Past Practice

In this Agreement, all references to accounting principles being *consistent with past practice* or *on a basis consistent with those of previous years* or similar statements shall mean consistent with the unaudited Compilation financial statements of the Corporation. The Parties acknowledge and agree that the interim financial statements of the Corporation for the first quarter of the 2024-2025 fiscal year (being from May 1, 2024 to July 31, 2024) have been prepared at the Review Engagement level and that this is an exception to the standard practice of the Corporation.

ARTICLE 2 SCHEDULES AND EXHIBITS

The following are the Schedules and Exhibits attached to and forming part of this Agreement and referred to in the Sections noted below:

Schedule 1.01(l)	Authorized Capital
Schedule 1.01(r)	Capital Assets
Schedule 1.01(tt)	Financial Statements
Schedule 1.01(www)	Net Asset Valuation Calculation Example
Schedule 1.01(bbbb)	Permitted Encumbrances
Schedule 1.01(ssss)	Service Contracts
Schedule 1.01(ccccc)	Trade Names
Schedule 4.02	Purchase Price Allocation
Schedule 7.02	Capitalization

Schedule 7.10	Authorizations
Schedule 7.11	Changes Outside of the Normal Course of Business
Schedule 7.13	Non Arm's Length Transactions
Schedule 7.14	Employees
Schedule 7.15	Employee Plans
Schedule 7.16	Liens
Schedule 7.17	Lease of Property
Schedule 7.19	Material Contracts
Schedule 7.21	Insurance Policies
Schedule 7.22	Litigation
Schedule 7.23	Intellectual Property
Schedule 7.25	Bank Accounts and Signing Officers
Schedule 7.27	Taxes
Schedule 7.34	Reports
Schedule 7.35	Vehicles
Schedule 7.38	Government Grants
Schedule 7.46	Trade Allowances
Schedule 9.07	Pre-Closing Transactions
Exhibit "A"	Confidentiality, Non-Competition and Non-Solicitation Agreement

(the above hereafter collectively referred to as the "Schedules and Exhibits").

All section headings in the Schedules correspond to the sections of this Agreement, but information provided in any section of the Schedules shall constitute disclosure for purposes of each other section of the Schedules to the extent that the relevance of such disclosure to such other Schedule(s) is reasonably apparent on its face.

ARTICLE 3

PURCHASE AND SALE

3.01 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendors agree to sell, and the Purchaser agrees to purchase, as of the Effective Time, all of the Purchased Shares for the Purchase Price.

ARTICLE 4

PURCHASE PRICE AND ADJUSTMENT

4.01 Purchase Price

Subject to the terms and conditions of this Agreement, the purchase price for the Purchased Shares shall be equal to the sum calculated as follows (collectively, the "**Purchase Price**"):

- (a) \$[Amount redacted] (the "**Original Purchase Price**"; the Original Purchase Price is equal to [Percentage redacted] of Enterprise Value;
- (b) plus, the Net Asset Value Adjustment if the Net Asset Value Adjustment is positive (ie above the target of zero dollars); or minus the absolute value of the Net Asset Value Adjustment if the Net Asset Value Adjustment is negative (ie, below the target of zero dollars);

- (c) plus, the amount of the Uncollected Receivables, once collected and transferred to the Vendors in accordance with Section 9.05(d) herein;

The amount of the Net Asset Value Adjustment will be finally determined pursuant to Article 6.

4.02 Allocation of Purchase Price

The Vendors and the Purchaser agree that the Purchase Price shall be allocated among the Purchased Shares in accordance with Schedule 4.02.

ARTICLE 5 PAYMENT OF THE PURCHASE PRICE

5.01 Payment of the Purchase Price

- (a) The Purchase Price shall be paid as follows:
 - (i) on the Closing Date, the Purchaser shall pay and satisfy the payment of the Original Purchase Price by way of wire transfer of funds to the Vendors' Counsel in trust for the Vendors;
 - (ii) the Net Asset Value Adjustment shall be paid in accordance with Section 6.01(e) herein; and
 - (iii) the Uncollected Receivables shall be paid to the Vendors in accordance with Section 9.05(d) herein.

5.02 Inventory Count and Supplies Count

Store Inventory Count

- (a) The amount (count) of Inventory for Store Inventory for the purposes of determining the Inventory Value for Store Inventory for the NAV Closing Statements, including the Net Asset Value Adjustment, shall be determined by a physical inventory count and verification to be conducted by the Inventory Count Firm on the day immediately prior to the Closing Date, or such other date as may be agreed upon by the Parties (the "**Store Inventory Count**"). At least three (3) Business Days before the Closing Date, the Parties shall agree upon a process and criteria for completing the Store Inventory Count which shall be set out in a letter agreement signed by the Parties and shall be incorporated by reference into this Agreement (the "**Store Inventory Count Process**"). Any discrepancies in the Store Inventory Count shall be resolved by mutual agreement of the Parties, each acting reasonably and in any event, in accordance with industry practice applicable to the Business and as otherwise set out in the Store Inventory Count Process.
- (b) The Store Inventory shall be valued in accordance with the definitions of Inventory and Inventory Value herein, as adjusted pursuant to Section 5.02(a) (subject to adjustment for Store Inventory purchased and sold following the completion of the Store Inventory Count and prior to the Effective Time in the event that the count does not occur after the close of business on the day immediately prior to the Closing Date) and the Inventory Value for Store Inventory shall be shown on the NAV Closing Statements of the Corporation.

- (c) During the Store Inventory Count, the representatives of the Vendors and the Purchaser attending the Store Inventory Count shall count and confirm in writing the Float for such Location, which written confirmation shall be signed and approved by a representative of the Vendors and a representative of the Purchaser.
- (d) One complete set of inventory count sheets shall be given to the representatives of the Vendors and the Purchaser attending the Store Inventory Count, which inventory count sheet shall be signed and approved by a representative of the Vendors and of the Purchaser.
- (e) The cost of the Store Inventory Count shall be borne as follows: 50% by the Vendors (by way of inclusion as an expense of the Corporation in the NAV Closing Statements thereby reducing the Net Asset Value) and 50% by the Purchaser.

Pharmacy Inventory Count

- (f) The amount (count) of Inventory for Pharmacy Inventory for the purposes determining the Inventory Value for Pharmacy Inventory for the NAV Closing Statements, including the Net Asset Value Adjustment, shall be determined by a physical inventory count and verification conducted by the Parties at the pharmacy dispensary at the Location on the day immediately prior to the Closing Date, or such other date as may be agreed upon by the Parties (the “**Pharmacy Inventory Count**”).
- (g) The Pharmacy Inventory shall be valued in accordance with the definitions of Inventory and Inventory Value herein (subject to adjustment for Pharmacy Inventory purchased and sold following the completion of the Pharmacy Inventory Count and prior to the Effective Time in the event that the count does not occur after the close of business on the day immediately prior to the Closing Date) and the Inventory Value for Pharmacy Inventory shall be shown on the NAV Closing Statements of the Corporation.
- (h) During the Pharmacy Inventory Count, the representatives of the Vendors and the Purchaser completing the Pharmacy Inventory Count shall count and confirm in writing the Float for such Location, which written confirmation shall be signed and approved by a representative of the Vendors and a representative of the Purchaser.
- (i) One complete set of inventory count sheets shall be given to the representatives of the Vendors and the Purchaser attending the Pharmacy Inventory Count, which inventory count sheet shall be signed and approved by a representative of the Vendors and of the Purchaser.

Supplies Count

- (j) The amount (count) of Supplies for the purposes of determining the Supplies Value for the NAV Closing Statements, including the Net Asset Value Adjustment, shall be determined by a physical Supplies count conducted by the Parties at the Location on the day immediately prior to the Closing Date, or such other date as may be agreed upon by the Parties (the “**Supplies Count**”).
- (k) The Supplies shall be valued in accordance with the definition of Supplies and Supplies Value herein (subject to adjustment for Supplies purchased and used following the completion of the Supplies Count and prior to the Effective Time in the event that the count does not occur after the close of business on the day immediately prior to the Closing Date)

and the Supplies Value for such Supplies shall be shown on the NAV Closing Statements of the Corporation.

- (l) One complete set of Supplies count sheets shall be given to the representatives of the Vendors and the Purchaser attending the Supplies Count, which Supplies count sheet shall be signed and approved by a representative of the Vendors and of the Purchaser.

ARTICLE 6

CALCULATION OF THE NET ASSET VALUE

6.01 Calculation of the Net Asset Value

- (a) Following the Closing, the Vendors shall prepare or cause to be prepared draft NAV Closing Statements for the compilation report from the Corporation's Current Accountants, together with draft income tax returns and T4 supplementaries and summaries to the Closing Date, and including, for greater certainty, a draft calculation of the Net Asset Value and the Net Asset Value Adjustment (collectively the "**NAV Draft Documents**"). Except as otherwise provided in this Agreement, the NAV Draft Documents shall be prepared in a manner consistent with past practice. The Current Accountants shall be given full and unrestricted access to the Books and Records of the Corporation to enable them to perform any checks and procedures they consider necessary in the preparation and review of the NAV Draft Documents.
- (b) The Vendors shall deliver, or shall cause to be delivered to the Purchaser the following materials (collectively the "**NAV Closing Materials**") by the NAV Statement Date:
 - (i) the NAV Draft Documents;
 - (ii) all schedules used to prepare the NAV Draft Documents; and
 - (iii) all other documents that the Purchaser reasonably requests.

In addition to the foregoing, the Current Accountants shall be available to provide such additional information as may be reasonably required to respond to enquiries by the Purchaser or the Purchaser's accountants.

- (c) The Vendors and the Purchaser shall have a period of 15 days after the Purchaser receives the NAV Closing Materials to agree upon the Net Asset Value and the Net Asset Value Adjustment. If they are not able to agree, the matters in dispute shall be determined by a single chartered professional accountant from a firm independent of the Current Accountants agreed to by the Parties, acting as an expert and not as an arbitrator (the "**Expert**"). The fees and expenses charged by the Expert shall be borne by the parties based on an inversely percentage of the contested amount awarded to each of them, as determined by the Expert. For example, if \$100 is being contested and \$75 is awarded to Purchaser, then Purchaser shall pay 25% of the fees, costs and expenses of the Expert and the Vendors shall pay the remaining 75%.
- (d) After the Parties have agreed upon the Net Asset Value and the Net Asset Value Adjustment, or any disagreement has been resolved in accordance with this Section 6.01, as the case may be, the Corporation's Current Accountants shall prepare the NAV Closing Statements, including the Net Asset Value and Net Asset Value Adjustment calculations,

in final form and deliver them to the Vendors and the Purchaser, and the Vendors shall cause the income tax returns of the Corporation to be filed forthwith and in any event prior to their due dates. The fees and expenses charged by the Current Accountants for and in connection with the preparation of all of the said documents shall be accrued in the NAV Closing Statements and be borne by the Corporation thereby reducing the Net Asset Value.

- (e) Within 10 days after either the date that the Parties have agreed upon the Net Asset Value, or determination of the Net Asset Value in accordance with this Section 6.01, as applicable:
 - (i) if the Net Asset Value Adjustment is positive (ie, above the target of zero dollars), the Original Purchase Price shall increase on a dollar-for-dollar basis by the amount of the Net Asset Value Adjustment and the Purchaser shall, pay in cash to such Vendor such Vendor's proportional interest of the Net Asset Value Adjustment; or
 - (ii) if the Net Asset Value Adjustment is negative (ie, below the target of zero dollars), the Original Purchase Price shall decrease on a dollar-for-dollar basis by the amount of the Net Asset Value Adjustment and the Vendors shall, in their proportional interests, pay the amount of the Net Asset Value Adjustment to the Purchaser in cash.
- (f) The Parties agree that the procedure set forth in this Article 6 for resolving disputes with respect to the Net Asset Value Adjustment is the sole and exclusive method of resolving such disputes.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF THE VENDORS

The Vendors jointly and severally represent and warrant to the Purchaser, as at the date hereof and as at the Effective Time, as follows and acknowledge that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

7.01 Organization and Capacity to Carry on Business

- (a) The Corporation has been duly incorporated and organized and is validly subsisting under the Laws of the Province.
- (b) The Corporation has the necessary corporate power, authority and capacity to own or lease its properties and assets and to carry on the Business.
- (c) The Corporation is licensed, registered and qualified as a corporation to do business, is up-to-date in the filing of all required corporate returns and other notices and filings in the Province, being the only jurisdiction in which the nature of the business or the property owned or leased by it makes such qualification necessary and such licenses, registrations and qualifications are valid and subsisting and in good standing.

7.02 Capitalization

- (a) Schedule 1.01(I) sets forth the Authorized Capital.

- (b) Schedule 7.02 sets forth the number of issued and outstanding shares of each class of shares in the capital of the Corporation and the legal and beneficial owners of record thereof.
- (c) All of the issued and outstanding shares in the capital of the Corporation:
 - (i) have been authorized and validly issued and are fully paid and non-assessable;
 - (ii) were issued in compliance with all applicable Laws, including applicable securities Laws; and
 - (iii) were not issued in violation of any pre-emptive rights or rights of first refusal.
- (d) Except for any right of first refusal granted by the Corporation to PharmaChoice pursuant to the PharmaChoice Agreement, no pre-emptive rights or rights of first refusal exist with respect to the shares in the capital of the Corporation and no such rights arise by virtue of or in connection with the Transaction.

7.03 Title to Purchased Shares

As of the date of this Agreement, the Purchased Shares are owned by [Name redacted] as the registered and beneficial owner of record, and by the Trustee of the [Name redacted] Trust as the registered owner of record in trust for the beneficiaries of such trust, with good and marketable title thereto, free and clear of any Liens. As of the Closing Date, the Purchased Shares will be owned by [Name redacted] as the registered and beneficial owner of record, and by [Name redacted] the registered owner of record in trust for the beneficiaries of such trust, with good and marketable title thereto, free and clear of any Liens.

7.04 No Agreements, Options, etc.

- (a) Except as otherwise provided in this Agreement, except for any right of first refusal granted by the Corporation to PharmaChoice pursuant to the PharmaChoice Agreement, there are no outstanding or authorized rights, privileges, options, warrants, convertible securities, subscription rights, conversion rights, exchange rights or other agreements or commitments of any kind that could require the Corporation to issue or sell any shares in its capital (or securities convertible into or exchangeable for shares in its capital) or that could require the Vendors to sell any of the Purchased Shares.
- (b) There are no outstanding stock appreciation, phantom stock, profit participation or other similar rights with respect to the Corporation.
- (c) There are no proxies, voting rights or trusts, pooling arrangements or other agreements or understandings with respect to the voting, transfer or ownership rights in the capital of the Corporation.
- (d) There is no contract, option, right in equity or at law or otherwise binding upon or which at any time in the future may become binding upon the Corporation for the purchase from the Corporation of the Business or any part thereof or any of the Assets of the Corporation, or any part thereof.

- (e) The Corporation is not obligated to redeem or otherwise acquire any of its issued and outstanding shares.

7.05 No Subsidiaries

The Corporation does not have any subsidiaries or any agreements, options or commitments to acquire any subsidiary or to acquire or lease any other business operations.

7.06 Guarantees

The Corporation is not party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or other commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, firm or corporation.

7.07 Books and Records

The Books and Records of the Corporation fairly and correctly set out and disclose in all material respects the financial position of the Corporation as at the date hereof and all material financial transactions have been accurately recorded in such Books and Records. All Books and Records and Corporate Records are accurate in all material respects and are in the full possession of the Corporation or its professional advisers, and are under the exclusive control of, and are owned exclusively by, the Corporation.

7.08 Financial Statements and Closing Statements

- (a) The Financial Statements are true and correct and complete in all material respects on a basis consistent with those of previous years in the case of the year-end financial statements and present fairly:
 - (i) the financial position of the Corporation as at the dates thereof;
 - (ii) the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial position of the Corporation as at the dates thereof; and
 - (iii) the sales, earnings and results of the operations of the Corporation during the respective periods covered by such financial statements.
- (b) The Financial Statements have been prepared, without limiting the generality of the foregoing, on the following basis:
 - (i) all Capital Assets have been valued at actual cost less accumulated depreciation;
 - (ii) adequate allowances for doubtful accounts have been taken on all receivables; and
 - (iii) inventory has been valued at the lower of cost or net realizable value, or average cost, and full allowance has been made for items of obsolescence or below standard quality.
- (c) The NAV Closing Statements will fully and correctly set out and disclose accurately and completely in all material aspects on a basis consistent with those of previous years:

- (i) the financial position of the Corporation as of the date thereof;
 - (ii) all material financial transactions of the Corporation will be accurately recorded in the Corporation's Books and Records; and
 - (iii) the NAV Closing Statements will disclose and include all Liabilities of the Corporation existing as at the date thereof and all contingent Liabilities of the Corporation which may exist as at the date thereof.
- (d) Except as specified in Schedule 7.38, the profitability of the Corporation in the Financial Statements as at the Balance Sheet Date does not include any grant income or similar type fixed or limited term non-sustainable income, or any income in the form of a conversion allowance or other one-time payment as part of a long term agreement.

7.09 Corporate Records

- (a) The Corporate Records of the Corporation, all of which have been made available to Purchaser, are true, accurate and complete, and have been maintained in accordance with sound business practices. The minute books of the Corporation contain accurate and complete records of all meetings, and resolutions in writing of, the shareholders, the board of directors and any committees of the board of directors of the Corporation, and to the Vendors' knowledge, no meeting, or resolution in writing, of any such shareholders, board of directors or committee has been held for which minutes or resolutions in writing have not been prepared and are not contained in such minute books.
- (b) To the Vendors' knowledge, the Corporate Records of the Corporation contain the true signatures of the persons purporting to have signed them.
- (c) All material corporate actions taken by the Corporation have been authorized or ratified.
- (d) All corporate proceedings and actions reflected in the Corporate Records of the Corporation have been conducted or taken in material compliance with all applicable Laws. Without limiting the generality of any of the foregoing:
 - (i) the minutes of all meetings of the directors and shareholders held since incorporation contained in the minute books are accurate and all such meetings were properly called and held and all such resolutions were properly passed;
 - (ii) the minute books of the Corporation contain all resolutions passed by the directors and shareholders of the Corporation (and committees, if any) and all such resolutions were properly passed;
 - (iii) the share certificates, register of shareholders and register of transfers are complete and accurate and, all transfers of shares have been properly completed and approved and any Taxes payable in connection with the transfer of any securities has been paid; and
 - (iv) the registers of directors and officers are complete and accurate in all material respects.

- (e) All Corporate Records are in the full possession of the Corporation or its professional advisers and are under the exclusive control of, and are owned exclusively by, the Corporation.
- (f) The Corporation will not on Closing be subject to any unanimous shareholder agreement or declaration.

7.10 Authorizations

The Corporation owns, holds, possesses or lawfully uses in the operation of its Business all Authorizations which are necessary for it to conduct its business as presently or previously conducted and for the ownership and use of its property and assets and all such Authorizations are listed in Schedule 7.10. Each Authorization is valid, subsisting and in good standing, and the Corporation is not in default or breach of any material term of any Authorization and, to the knowledge of the Vendors, no proceeding is pending or threatened to revoke or limit any Authorization. All applications required to have been filed for the renewal of the Authorizations listed or required to be listed in Schedule 7.10 on or before the Closing Date have been duly filed on a timely basis with the appropriate Governmental Authority, and all other filings required to have been made with respect to such Authorizations have been duly made on a timely basis with the appropriate Governmental Authority.

7.11 Changes Outside of the Normal Course of Business

Except as disclosed in the Pre-Closing Transactions, since the Balance Sheet Date, the Corporation has operated the Business in the ordinary course of business consistent with past practice and has not, except as set out in Schedule 7.11:

- (a) issued any shares or other securities save as may be expressly consented to in writing by the Purchaser;
- (b) made any distribution of or declared or paid any dividends with respect to its shares or other securities or purchased or redeemed any of its securities. All dividends that, to the date of this Agreement, have been declared by the Corporation have been duly and validly declared and paid in full and there remains no outstanding obligation in respect thereof;
- (c) made any bonus or profit sharing distribution or similar payment of any kind;
- (d) made any material change: (i) in the rate or form of compensation, bonus, remuneration or benefits payable or to become payable to any of its shareholders, directors, officers, Employees, contractors or other service providers, or (ii) to any of its Employee Plans;
- (e) entered into any termination, notice, severance or change of control agreement with any of its shareholders, directors, officers, Employees, contractors or other service providers;
- (f) entered into any employment agreement other than in the ordinary course of business;
- (g) sold, leased or transferred any of its properties or assets other than in the ordinary course of business consistent with past practice;
- (h) made or obligated itself to make capital expenditures out of the ordinary course of business consistent with past practice;

- (i) indebted itself to persons not acting at arm's length with the Corporation or made any payment in respect of liabilities owing to persons not acting at arm's length with the Corporation;
- (j) made any payment in respect of its liabilities other than in the ordinary course of business;
- (k) incurred any obligations or liabilities or entered into any transaction or series of transactions involving in excess of [Amount redacted] in the aggregate, other than to trade creditors in the ordinary course and except for as contemplated by this Agreement and the Transaction;
- (l) suffered any theft, damage, destruction or casualty loss which was, not covered by insurance in excess of [Amount redacted] in the aggregate;
- (m) suffered any extraordinary losses (whether or not covered by insurance);
- (n) waived, cancelled, compromised or released any rights having a value in excess of [Amount redacted] in the aggregate;
- (o) granted to any material customer any special allowance or discount, changed its credit or payment policies or changed its pricing, other than in the ordinary course of business;
- (p) made or adopted any material change in its accounting practice or policies;
- (q) entered into any transaction with any Affiliate, except as may be contemplated herein;
- (r) terminated, amended or modified any agreement involving an amount in excess of [Amount redacted];
- (s) except as disclosed on Schedule 7.21, cancelled or reduced any of its insurance coverage;
- (t) granted any security interest or other Lien on any of its assets or properties other than in the ordinary course of business consistent with past practice;
- (u) delayed paying any Accounts Payable which are due and payable except to the extent such Accounts Payable are being contested in good faith;
- (v) changed any practices or policies regarding the payment of Accounts Payable or the collection of Accounts Receivable;
- (w) made or pledged any charitable contribution in the aggregate in excess of [Amount redacted];
- (x) entered into any other transaction or been subject to any event which has or is reasonably likely to have a Material Adverse Effect on the Corporation;
- (y) removed any auditor or director or terminated any officer or other senior employee;
- (z) amended its articles, by-laws, constating documents or other organizational documents;
- (aa) amalgamated, merged or consolidated with, or acquired all or substantially all the shares or assets of any person;

- (bb) compromised or settled any litigation or claims, or suffered any judgments, requiring payment by the Corporation or granting injunctive relief or specific performance;
- (cc) except as specifically contemplated herein, discharged any secured or unsecured obligation or liability (whether accrued, absolute, contingent or otherwise), other than the payment of trade debt;
- (dd) transferred, leased, licensed, sold or otherwise disposed of any of its assets except for inventory, other than in the ordinary course of business consistent with past practice; or
- (ee) authorized, agreed or otherwise committed to any of the foregoing.

7.12 No Violation

The execution and delivery of this Agreement by the Vendors, the performance by the Vendors of their obligations hereunder and the consummation by the Vendors of the Transaction will not:

- (a) contravene any provision of the constating documents, articles, notice of articles, by-laws or any resolutions of the Corporation or any amendments thereto;
- (b) contravene any provision of any trust deed or trust agreement creating the [Name redacted];
- (c) subject to the receipt of all applicable Authorizations, violate or conflict with any Laws, statute, ordinance, rule, regulation, decree, writ, injunction, judgment or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon or enforceable against the Corporation or any of the Vendors;
- (d) conflict with, result in any breach of, or constitute a default (or an event which would, with the passage of time or the giving of notice or both, constitute a default) under, or give rise to a right to terminate, amend, modify, abandon or accelerate, any Material Contract which is applicable to, binding upon or enforceable against the Corporation other than the Material Contracts requiring consent as listed on Schedule 7.19;
- (e) result in or require the creation or imposition of any Lien upon or with respect to any of the property or Assets of the Corporation; or
- (f) require the authorization, consent, approval, authorization, permit of, or filing with or notification to, any Governmental Authority, any court tribunal or any other person, save and except for notification to the Pharmacy Board and as listed on Schedule 7.10 or Schedule 7.19.

7.13 Non-Arm's Length Transactions

Except as disclosed in Schedule 7.13, Since the Balance Sheet Date, the Corporation has not made any payment or loan to or borrowed any monies from or otherwise become indebted to, any officer, director, Employee, shareholder or any other person not dealing at arm's length with the Corporation, except with respect to usual employee reimbursements and compensation paid in the ordinary course of business consistent with past practice. Except for Contracts of employment, the Corporation is not party to any Contract with any officer, director, employee, shareholder or any other person not dealing at arm's length with the Corporation. No officer, director or shareholder of the Corporation and no entity that is an Affiliate or Associate of one or more of such individuals:

- (a) owns, directly or indirectly, any interest in (except for shares representing less than one percent of the outstanding shares of any class or series of any publicly traded company), or is an officer, director, employee or contractor of, any person which is, or is engaged in business as, a competitor of the Business or a lessor, lessee, supplier, distributor, or sales agent of the Business;
- (b) owns, directly or indirectly, in whole or in part, any property that the Corporation uses in the operation of the Business, with the exception of the ownership of the real property situate at [Location redacted], which is owned by [Name redacted]; or
- (c) has any cause of action or other claim whatsoever against, or owes any amount to the Corporation, except for any liabilities reflected in the Books and Records of the Corporation with respect to the ordinary course of business, such as for accrued vacation pay and accrued benefits under the Employee Plans.

7.14 Employment Matters and Contractors and other Agents or Representatives

- (a) Schedule 7.14 contains a complete and accurate list of all individuals who are employees of the Business (collectively the “**Employees**”) and specifying their respective: title, date of commencement, the rate of hourly pay or salary and commission structure and whether such Employee is on long-term disability leave or extended absence or receiving benefits pursuant to applicable workers compensation legislation. Schedule 7.14 also contains a complete and accurate list of all contractors or other agents or representatives of the Business specifying, as applicable: description of services provided, date of commencement of engagement, capacity (i.e. as contractor, consultant or other relationship) and the applicable payment terms. Each independent contractor or consultant engaged by the Corporation has been properly classified by the Corporation as an independent contractor and the Corporation has not received any notice from any Governmental Authority disputing such classification. All such Contracts are terminable on the giving of reasonable notice and/or pay in lieu of notice in accordance with applicable Laws and no inducements to accept employment were offered to any such employees which have the effect of increasing the period notice of termination to which any such employee is entitled.
- (b) The Corporation is in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages. The Corporation has deducted and remitted to the relevant Governmental Authorities or entities all income taxes, unemployment insurance contributions, Canada Pension Plan contributions, provincial employer health tax remittances and any taxes or deductions or other amounts which it is required by statute or contract to collect and remit to any Governmental Authorities or other entities entitled to receive payment of such deduction, with respect to all employees and agents. The Corporation has not engaged in any unfair labour practice.
- (c) No unfair labour practice, complaint or grievance against the Corporation is to the knowledge of the Vendors, pending or threatened before any labour relations board, labour arbitration board or sole labour arbitrator or similar Governmental Authority.
- (d) There is no labour strike, dispute, slowdown or stoppage involving or, to the knowledge of the Vendors, pending or threatened against the Corporation.

- (e) No union representation exists or, to the knowledge of the Vendors, is threatened respecting the Employees and no collective bargaining agreement is in place or currently being negotiated by the Corporation.
- (f) No notice has been received by the Corporation nor has any complaint been filed or, to the knowledge of the Vendors, threatened by any past or present employee of the Corporation (except for those that have been resolved) claiming that the Corporation has violated any applicable employment standards, human rights, labour, or other legislation or regulations. To the knowledge of the Vendors, there have not been any complaints or proceedings which might not have been resolved, of any kind involving the Corporation or any past or present employees of the Corporation before any labour relations board, labour arbitration board or sole labour arbitrator or any employment standards branch, save as described in Schedule 7.14.
- (g) There are no outstanding orders or charges, or to the knowledge of the Vendors, potential or threatened orders or charges against the Corporation under any applicable health and safety legislation or regulations.
- (h) There are no outstanding orders, hearings, settlements, charges, offences and penalties, or, to the knowledge of the Vendors, outstanding complaints or investigation of complaints, and to the knowledge of the Vendors, there are no potential or threatened complaints, investigation of complaints, orders, hearings, settlements, charges, offences or penalties, against the Corporation under any applicable human rights and/or pay equity legislation.
- (i) All premiums, levies, assessments and penalties, complaints and appeals made against the Corporation pursuant to any applicable workers' compensation legislation has been paid and the Corporation has not been reassessed or, to the knowledge of the Vendors, threatened with any assessment or reassessment under any such legislation (except such assessments or reassessments as have been resolved).
- (j) The Corporation employs foreign workers, as more particularly set out in Schedule 7.14. All foreign workers either: (i) are permanent residents; or (ii) have a work visa and are provincial nominees to obtain their permanent residency. The Corporation has also started the application process for two additional foreign workers
- (k) All accruals for unpaid vacation pay, premiums for employment insurance, health premiums, Canada Pension Plan premiums, accrued wages, salaries, bonuses, commissions and employee benefit plan payments will have been paid up to the Effective Time on the Closing Date. Notwithstanding the foregoing, the accrued vacation pay as of the Closing Date shall accrue in the NAV Closing Statements and the Net Asset Value calculation. Further, any nominal amount of such amounts (other than vacation pay) may also be recorded in the NAV Closing Statements and Net Asset Value calculation in the event that such portion is not captured by the final payroll to be completed just prior to the Closing Date.
- (l) Schedule 7.14 contains a list of all bonus payments owed or intended to be paid to Employees for the current year up to and including the Closing Date. Notwithstanding anything to the contrary, the amounts of the payments listed in Schedule 7.14 shall be mutually agreed upon between the Parties.

- (m) There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or payable pursuant to any workplace safety and insurance legislation and the Corporation has not been reassessed in any material respect under such legislation and, to the knowledge of the Vendors, other than with respect to any assessments or audits that may be triggered by corporate searches requested by the Purchaser, no audit of the Corporation is currently being performed pursuant to any applicable workplace safety and insurance legislation. There are no claims or potential claims which may materially and adversely affect the Corporation's accident cost experience in respect of the Business.

7.15 Employee Plans

Except as set out in Schedule 7.15, there are no retirement, pension, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, pay in lieu of notice, insurance, medical, hospital, dental, vision care, drug, sick leave, pay equity, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or other compensation plans or remuneration arrangements or other employee benefit plans that are maintained or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of Employees or former Employees of the Corporation ("**Employee Plans**").

7.16 Liens

Other than those Liens that will be discharged prior to Closing there are no Liens against the Corporation or the Purchased Shares except those listed in Schedule 7.16 and the Permitted Encumbrances, and neither the Corporation nor the Vendors are under any agreement to make, create, issue or enter into any Liens against the Corporation or the Purchased Shares.

7.17 Lease of Real Property

- (a) Other than as set forth in Schedule 7.17, the Corporation is not a party to any lease or agreement in the nature of a lease of real property, whether written or oral or whether as lessor or lessee.

7.18 Property

- (a) To the Vendors' knowledge:
 - (i) neither the premises of the Business or the building, works or fixtures owned by the Corporation thereon, nor their use, operation or maintenance for the purpose of carrying on the Business, violates, in any material respects, any provision of any Law, including building codes, fire regulations, or other restrictions relating to the use of the premises of the Business;
 - (ii) no condemnation, rezoning or expropriation proceeding is pending or threatened against any of the premises of the Business which would preclude or materially impair the use of any of the premises of the Business for the purposes for which they are currently used;
 - (iii) there are no outstanding work orders, deficiency notices or building permits relating to the premises of the Business from or required by any municipality, fire department, sanitation, health or safety authorities and

there are no matters under discussion with or by the Corporation relating to work orders, deficiency notices or building permits with respect thereto;

- (iv) there are no hidden, structural, mechanical, electrical, roof or other defects (latent or otherwise) in the premises of the Business;
- (v) the Corporation is not the owner of, or subject to, any agreement or option to own any real property or any interest in any real property (other than pursuant to the existing verbal month-to-month lease agreement with [Name redacted]);
- (vi) the Location is adequate and suitable for the purposes for which it is presently being used and the Corporation has adequate rights of ingress and egress into the Location for the operation of the Business; and
- (vii) to the Vendor's knowledge, none of the buildings or structures situated on the Location nor their use violates any zoning or other bylaw, law, ordinance, or regulation applicable to it and the Corporation has not received any notice of any impending or intended rezoning of the Location or the Buildings it is located within.

7.19 Material Contracts

- (a) Schedule 7.19 lists all Contracts to which the Corporation is a party or by which it or its properties and assets are bound and which are material to the Business, the Assets of the Corporation, or the prospects of the Business, whether written or oral, including the PharmaChoice Agreement, any Contract involving payments to or by the Corporation in excess of \$3,000 per annum, any Contracts which, if terminated, would have a Material Adverse Effect on the Corporation, any lending agreements or commitments, and all unfilled orders and forward commitments for supplies or materials which are material or which have a period of 30 days or more left to run beyond the Closing Date (collectively the "**Material Contracts**"). The consummation of the Transaction does not require the consent of any party to the Material Contracts except as set forth in Schedule 7.19.
- (b) The Corporation is not a party to a banner or supply agreement other than the PharmaChoice Agreement, and the Corporation is not subject to a right of first refusal with respect to the Transaction, the Purchased Shares, or any of the Assets of the Corporation or otherwise, except as provided under the PharmaChoice Agreement.
- (c) With respect to each Material Contract, the Corporation has performed, in all material respects, all of its obligations and is entitled to all of its rights and benefits thereunder. To the Vendors' knowledge, the Corporation is not alleged to be in default of any Material Contract. Each of the Material Contracts is in full force and effect, unamended, and there exists no default or event of default or event, occurrence, condition or act (including the purchase of the Purchased Shares) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default under any Material Contract other than any requirements to obtain the consent of the other party upon a change of control or other defaults which would not, individually or in the aggregate, result in a Material Adverse Effect. True, correct and complete copies of all Material Contracts have been delivered to the Purchaser.

- (d) As of the date hereof, the Corporation has not received any written communication from any customer or supplier of any intention or threat to terminate or materially reduce purchases from or supplies to the Corporation or, to the knowledge of the Vendors, that:
 - (i) any such action is being considered; or
 - (ii) that any facts or circumstances exist that might reasonably cause such action to be considered by any such customer or supplier.

7.20 Rebates/Promotional Allowances

All benefits at any time, directly or indirectly, accepted or received by the Corporation as a result of any rebates and/or promotional allowances or payments from generic drug manufacturers or wholesalers that are attributable to the Business or otherwise, other than those rebates and/or promotional allowances that have not yet been granted to or received by the Corporation, have been accurately recorded and reflected in the Books and Records, including the Financial Statements, of the Corporation.

7.21 Insurance

- (a) The Corporation is covered by valid, outstanding and enforceable policies of insurance covering its respective properties, assets and the Business against risks of the nature normally insured against by persons in the same or similar lines of business and in coverage amounts typically and reasonably carried by such persons (the “**Insurance Policies**”).
- (b) The Insurance Policies are in full force and effect, and all premiums due thereunder have been paid.
- (c) The Corporation has complied with the provisions of the Insurance Policies.
- (d) Schedule 7.21 contains:
 - (i) a list which sets out all insurance policies owned by the Corporation, including: the insurer, the amount of the coverage, the type of insurance and the policy number. The Corporation will maintain in good standing all insurance policies to the Closing Date. Any claims for which insurance coverage has been obtained have been reported to the insurer on a timely basis and no such coverage has been denied in respect of any claim that remains outstanding; and
 - (ii) a detailed description of each pending claim under any of the Insurance Policies for an amount in excess of \$2,500.
- (e) Correct and complete copies of the Corporation’s insurance policies and all amendments and riders thereto have been provided to the Purchaser.
- (f) The Corporation has not failed to give, in a timely manner, any notice required under any of the Insurance Policies to preserve its rights thereunder.
- (g) Except as specified in Schedule 7.22, none of the Vendors are aware of any circumstances that would constitute a reasonable basis for any person to make a claim against the Corporation, whether covered by insurance or not, and none of the Vendors are aware of any circumstances in respect of which it could make a claim under the Insurance Policies.

- (h) The Corporation has not received written notice from any of its insurers regarding cancellation of any of the Insurance Policies. The Corporation has not failed to present any claim under any Insurance Policy in a due and timely fashion. The Corporation has not received notice from any of its insurers denying any claims.

7.22 Litigation

- (a) Except as specified in Schedule 7.22, there are no outstanding actions, suits, proceedings, prosecutions, orders, arbitrations or alternative dispute resolution proceedings, on behalf of, or against the Corporation, or to the knowledge of the Vendors, pending against, threatened to be brought against or affecting the Corporation, before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.
- (b) Except as specified in Schedule 7.22, none of the Vendors are aware of any existing ground on which any such action, suit, prosecution, order or proceeding might be commenced with any reasonable likelihood of success; nor are any the Vendors aware of any judgment decree, injunction, rule or order of any court, governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or arbitrator which could affect the Vendors' ability to sell the Purchased Shares as provided for in this Agreement.
- (c) To the knowledge of the Vendor, except as specified in Schedule 7.22, the Corporation has not, at any time since the date of its incorporation, been subject to any judgment, order or decree entered in any lawsuit or proceeding. The Corporation has not settled any claim before being prosecuted in respect of it.
- (d) There are no audits or investigations of the Corporation, to the knowledge of the Vendors, pending or threatened by any private third party provider or insurer or Governmental Authority and, to the Vendors' knowledge, there are no existing circumstances, matters or things which might give rise to any such audits or investigations.

7.23 Intellectual Property

- (a) The Intellectual Property Rights used in whole or in part or required for the proper carrying on of the Business, are validly and beneficially owned by or licensed to the Corporation with the right to use the same and are in good standing and duly registered in all appropriate offices to preserve the right thereof and thereto; attached hereto as Schedule 7.23 is a list of all Intellectual Property Rights, registered trade names, trademarks and patents which are used by the Corporation, designating particulars of ownership and/or licenses.
- (b) Following the Closing, the Vendors will not retain any rights in or use any of the Intellectual Property Rights, the Trade Name, trademarks, or patents which are used in whole or in part or required for the proper carrying on of the Business as presently conducted.
- (c) To the knowledge of the Vendors, no person is currently infringing any of the Intellectual Property Rights, service marks, trade names, trademarks or patents used in whole or in part or required for the proper carrying on of the Business as presently conducted.

- (d) To the knowledge of the Vendors, the conduct of the Business does not infringe upon the patents, trademarks, trade names or copyrights, or any other intellectual property rights, of any other person, firm or corporation.

7.24 Software and Technology and Computer Systems

- (a) The Software owned by, licensed to or used by the Corporation is commercial off the shelf software.
- (b) To the Vendors' knowledge, the Software does not contain any undisclosed program routine, device or other feature, including viruses, worms, bugs, time locks, trojan horses or back doors, in each case that is designed to delete, disable, deactivate, interfere with or otherwise harm such Software, and any virus or other intentionally created, undocumented contaminant that may, or may be used to, access, modify, delete, damage or disable any hardware, system or data.
- (c) The Computer Systems adequately meet the data processing and other computing needs of the Business and operations of the Corporation as presently conducted, in all material respects. The Computer Systems function, operate, process and compute in accordance with all applicable Laws, industry standards and trade practices.

7.25 Accounts, Signing Officers, Powers of Attorney and Safety Deposit Boxes

Schedule 7.25 contains a complete list of:

- (a) the name and address of each bank, trust company or similar institution in which the Corporation has an account or safety deposit box, the related account number(s), and the names of all persons authorized to draw thereon or to have access thereto; and
- (b) the name of each person, firm or corporation or other entity holding a general or special power of attorney from the Corporation and a summary of the terms thereof.

7.26 Compliance with Applicable Laws

The Corporation is and, to the knowledge of the Vendors, always has been in compliance with all Laws applicable to it and the Business (including the laws, bylaws, rules and regulations of the Pharmacy Board). Without limiting the generality of the foregoing, the Corporation and, to the knowledge of the Vendors, all of its pharmacist employees, are in compliance with all Laws, rules and regulations of the Pharmacy Board and all other Laws applicable to their practice of pharmacy in respect of the Business and there are no outstanding orders, investigations, changes or prosecutions, actual or, to the knowledge of the Vendors, pending or threatened, against the Corporation, the Business or any of the Corporation's pharmacist employees. The Corporation is not in breach of any such Laws, rules or regulations and is duly licensed, registered or qualified in the Province and in the municipality of the Business to enable the Business to be carried on as now conducted and its property and assets to be owned, leased and operated. All such licences, registrations and qualifications are valid and subsisting and in good standing and none of them contain any term, provision, condition or limitation which now has or which may in the future have a Material Adverse Effect on the operation of the Business.

7.27 Taxes

- (a) The Corporation has in a timely manner filed all tax returns and other documents required to be filed by it under applicable tax legislation up to the date hereof, including any and all tax elections so required, including without limiting the generality of the foregoing, elections in respect of eligible dividend designations. The Vendors have provided to the Purchaser correct and complete copies of all such tax returns, together with any notices of assessment, examination reports or statements of deficiencies assessed against or agreed to by the Corporation, for each of the three most recently completed fiscal years preceding the date of this Agreement. Such returns and other documents are complete and correct in all material respects and the Corporation has paid and remitted all Taxes, including all installments on account of Taxes, which are due and payable, by it on or before the date hereof.
- (b) Adequate provision has been made for Taxes payable for the current period for which tax returns are not yet required to be filed and for all prior periods. There are no outstanding agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by, or payment of any Taxes by, or assessment or reassessment of any Taxes by, the Corporation.
- (c) There are no actions, suits, proceedings, claims, audits, or, to the knowledge of the Vendors, investigations against the Corporation in respect of Taxes. To the Vendors' knowledge, there are no actions, suits, proceedings, investigations, audits or claims pending or threatened against the Corporation in respect of Taxes or any matters under discussion between the Corporation or any of the Vendors and any Governmental Authority relating to Taxes which matters may constitute a reasonable basis for an action, suit, proceeding, investigation, audit or claim against the Corporation by such Governmental Authority. There are no Liens pending on or with respect to any of the Assets of the Corporation that arose in connection with any failure (or alleged failure) to pay any Taxes.
- (d) All income tax filings are up to date and the Corporation has received notices of assessment for all years up to and including April 30, 2023.
- (e) The Corporation has withheld from each payment made to any of its present and former officers, directors and employees the amount of all Taxes, including income tax, and other deductions required to be withheld therefrom and has paid and remitted the same to the appropriate Governmental Authorities within the time required under any applicable tax legislation. All amounts payable by the Corporation on account of compensation, including bonuses, have been paid within 180 days of the end of the taxation year in which expense was incurred.
- (f) Schedule 7.27 contains a complete and accurate summary of all federal or provincial tax assessments and reassessments that have been issued to the Corporation covering all past periods up to and including the fiscal year ended on or before the Closing Date that remain open for reassessment. Save and except as specifically set out in Schedule 7.27, all amounts disclosed on such schedule have been paid or settled in full. Save and except as specifically set out in Schedule 7.27, the Corporation has not received any Tax refund to which it was not entitled. Such schedule contains a complete and accurate summary of all fiscal periods that remain open for assessment of additional Taxes. Assessments for all other applicable federal or provincial Taxes of the Corporation that are levied by way of assessment have

been issued and any amounts owing thereunder have been paid, and only the time periods described in such schedule remain open for reassessment of additional Taxes.

- (g) The Corporation has collected from each receipt from its past and present customers (or other persons paying amounts to it) the amount of all Taxes required to be collected and has paid and remitted such Taxes (including, for greater certainty, any amount to be collected and remitted under the *Excise Tax Act* (Canada) or similar applicable legislation and any sales tax under any applicable provincial or federal Laws) when due, in the form required under the appropriate Laws or made adequate provision for the payment of such amounts to the appropriate Governmental Authorities.
- (h) The Corporation is not required to file tax returns in a jurisdiction outside of Canada or outside the Province and, no claim has been made by a taxing authority in a jurisdiction where the Corporation does not file tax returns that the Corporation is or may be subject to Taxes assessed by such jurisdiction or a filing requirement in that jurisdiction.
- (i) Corporation is a registrant for purposes of: (i) Part a of the *Excise Tax Act* (Canada) (the “ETA”) and the Corporation’s registration number is [Redacted number].
- (j) The Corporation has not acquired property or services from, or disposed of property or provided services to, a person with whom it does not deal at Arm’s Length for an amount that is other than the fair market value of such property or services at the time of such acquisition or disposition.
- (k) No amount in respect of any outlay or expense that is deductible by the Corporation for tax purposes has been outstanding for greater than two years to a person not dealing at Arm’s Length with the Corporation.
- (l) The Corporation has not declared or paid a dividend to which tax under Part VI.1 of the Tax Act applies.
- (m) The Corporation has not declared a capital dividend in excess of its capital dividend account prior to the Closing Date.
- (n) The Corporation has not designated an eligible dividend in excess of what is permitted under the Tax Act prior to the Closing Date.
- (o) No facts, circumstances or events exist or have existed that may result in the application of any of section 17, section 78, section 79, section 79.1, or sections 80 to 80.04 of the Tax Act, or any equivalent provision under applicable provincial Law to the Corporation.
- (p) The Corporation is a Canadian-controlled private corporation, as defined in the Tax Act, and has been a Canadian-controlled private corporation continuously since incorporation.
- (q) The Corporation has not claimed any reserve or deduction or made any election under the Tax Act or under any equivalent provision of any applicable Laws that could require an amount to be included in the Corporation’s income for any period ending after the Closing.
- (r) The Corporation has not made a voluntary disclosure to any Canadian provincial or federal Tax authority.

7.28 Condition of Assets and Inventory

- (a) The Business is the only business operation carried on by the Corporation and the Corporation has good and marketable legal and beneficial title to all properties and assets of the Business, including all properties and assets reflected in the Financial Statements. All properties and assets acquired by the Corporation are free and clear of all Liens whatsoever, except for the Permitted Encumbrances.
- (b) The properties and Assets of the Corporation comprise all of the material properties and assets required by the Corporation to carry on the Business and all such properties and assets, except for certain Books and Records and Corporate Records which are in the possession of the Corporation's professional advisors, are located at the Location.
- (c) Except for any right of first refusal granted by the Corporation to PharmaChoice pursuant to the PharmaChoice Agreement, no person owns, or has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming such, to purchase any assets which are being used in the Business, except for personal property leased by the Corporation and/or any licensed Intellectual Property Rights and there are no agreements or commitments to purchase or sell property or assets by the Corporation, other than in the ordinary course of business.
- (d) All assets owned and used by the Corporation in connection with the Business are:
 - (i) in good operating condition, reasonable wear and tear excepted considering their age and use; and
 - (ii) in a good state of repair and maintenance in accordance with all applicable manufacturer's specifications and warranties, considering their age and use.
- (e) The Inventory of the Corporation to be retained by the Corporation following the Closing Date are carried on the books of the Corporation as of the Closing Date at the lower of cost and net realizable value, or average cost.

7.29 Accounts Receivable

All Accounts Receivable recorded on the books of the Corporation arose from *bona fide* transactions in the ordinary course of business.

7.30 Residency

Each of the Vendors is not a non-resident of Canada as such term is construed under the Tax Act.

7.31 Liabilities

There are no liabilities of the Corporation of any kind whatsoever, whether or not accrued and whether due or to become due, in respect of which the Corporation or the Purchaser may become liable on or after the date hereof other than:

- (a) liabilities disclosed on, reflected in or provided for in the Financial Statements of the Corporation;

- (b) liabilities disclosed or referred to in this Agreement or in the Schedules;
- (c) liabilities incurred in the ordinary course of business of the Corporation consistent with past practice and attributable to the period since the Balance Sheet Date; and
- (d) liabilities for Taxes incurred since the Balance Sheet Date in the ordinary course of business of the Corporation consistent with past practice.

As at the Closing Date, the Corporation will not have any long term debt.

7.32 Power and Authority of Vendors

- (a) The [Name redacted] is duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it was established;
- (b) Each of the Vendors has all necessary power, authority, right and capacity to enter into this Agreement and all other agreements and instruments to be executed by the Vendors as contemplated herein and to sell, assign and transfer the Purchased Shares to the Purchaser in the manner contemplated herein and to perform all of the Vendors' covenants and obligations under this Agreement and all other agreements and instruments to be executed by any one or more of the Vendors as contemplated herein.
- (c) This Agreement and all other agreements and instruments to be executed by any one or more of the Vendors as contemplated herein constitute legal, valid and binding obligation of each of the Vendors, enforceable against the Vendors in accordance with their terms subject to:
 - (i) bankruptcy, insolvency, moratorium, reorganization and other Laws relating to or affecting the enforcement of creditors' rights generally; and
 - (ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.
- (d) Each of the Vendors has taken all necessary or desirable actions, steps and proceedings to approve or authorize, validly and effectively, the entering into, and the execution, delivery and performance of this Agreement and all other agreements and instruments to be executed by any of them as contemplated herein and the sale and transfer of the Purchased Shares to the Purchaser.

7.33 Environmental Disclosure

To the knowledge of the Vendors:

- (a) The Corporation has been and is in compliance with all applicable federal, provincial, municipal and local Laws relating to the protection of the environment (collectively, "**Environmental Laws**"), or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemical or industrial, toxic or hazardous wastes or substances (collectively, "**Hazardous Substances**").

- (b) The Corporation does not require any licenses, permits, approvals, consents, certificates, registrations and other authorizations under Environmental Laws for the operation of the Business.
- (c) The Corporation has not used or permitted to be used, except in compliance with all Environmental Laws, any of its property (including any of its leased property during the time that it leased such properties) or facilities or permitted any property or facility that it previously owned or leased, while it owned or leased such property, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance.
- (d) The Corporation has not received any notice of, nor been prosecuted for an offence alleging, non-compliance with any Environmental Laws, and none of the Vendors nor the Corporation has settled any allegation of non-compliance short of prosecution. There are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Business of or any property of the Corporation, nor has the Corporation received notice of any of the same.
- (e) The Corporation has not caused or permitted, nor, has there been, a release by the Corporation or anyone for whom it is at law responsible or by any other person, in any manner whatsoever, of any Hazardous Substance on or from the Corporation's properties (including the Location) or assets or any property or facility that the Corporation previously owned or leased, or any such release on or from a facility owned or operated by third parties but with respect to which the Corporation is or may reasonably be alleged to have liability. All Hazardous Substances and all other wastes and other materials and substances used in whole or in part by the Corporation or resulting from the Business have been disposed of, treated and stored in compliance with all Environmental Laws.
- (f) There are no environmental audits, reports, evaluations, assessments, studies or tests relating to the Corporation., other than the Phase 1 environmental assessment in the process of being completed by the Purchaser for the property owned by [Name and Location redacted];
- (g) No Hazardous Substances have been discharged upon any property adjacent to the premises of the Business at any time.
- (h) The premises of the Business has not ever had asbestos, asbestos-containing materials, urea formaldehyde insulation, PCBs, lead, radioactive substances or aboveground or underground storage systems, active or abandoned, located on, at, in or under it.

7.34 Reports

The amounts reflected in the monthly prescription sales reports and point of sale reports of the Corporation provided by any of the Vendors or the Corporation to the Purchaser for each month ended since the Balance Sheet Date to and including the last month ended prior to the date of this Agreement, are accurate and complete in all material respects, and the contents of such reports and all other reports which are delivered to the Purchaser after the date of this Agreement will be accurate and complete in all material respects as at the Effective Time.

7.35 Vehicle

Except as set out in Schedule 7.35, the Corporation neither owns nor leases any vehicles.

7.36 Pharmacy Business

Since the date of its incorporation, the Corporation has not carried on any business other than that of the Business.

7.37 Doctors and Health Care Providers

- (a) Neither the Vendors nor the Corporation, or any of their affiliates, have at any time, directly or indirectly, paid or given any amount or benefit in connection with the Business to any medical doctors or other health care providers in consideration for referring patients to the Business.
- (b) To the knowledge of the Vendors, all arrangements between the Corporation and any medical doctors are continuing and the Vendors are not aware of any matters, circumstances, communications or events that would prevent such arrangements from continuing to operate for the benefit of the Corporation and the Purchaser without any material change to such arrangements.

7.38 Government Grants

- (a) Except as set forth in Schedule 7.38, there are no contracts or agreements relating to grants or other forms of assistance including loans with interest at below market rates, received by the Corporation from any Governmental Authority during any of the 3 years immediately preceding the Closing Date.
- (b) Schedule 7.38 sets forth a list of each loan, exclusion, subsidy, relief, forgiveness or other item to which the Corporation has applied for, claimed or received pursuant to any COVID-19 measure, including pursuant to CEBA, CEWS, and/or CERS (“**COVID-19 Assistance**”). All applicants, documents and other information submitted by the Corporation to the applicable lenders, administrators and other persons to apply for, claim or receive the benefits or relief of any of the forgoing were true, accurate and complete in all material respects, and the Corporation was, as of the time of any application or claim therefor, eligible to apply for or claim and receive, such benefits or relief thereunder. Except as set forth in Schedule 7.38, the Corporation will not be required to repay any COVID-19 Assistance.

7.39 Privacy

The Corporation is conducting its Business in compliance with all applicable Laws governing privacy and the protection of data and personal information, including, where applicable, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable privacy legislation or regulations thereunder, other than acts of non-compliance which individually or in the aggregate would not have a Material Adverse Effect.

7.40 Competitive Business

None of the Vendors, directly or indirectly, carries on, is engaged in or concerned with or interested in a business which is in competition with the Business or the Corporation.

7.41 Restrictive Covenants

Other than the PharmaChoice Agreement, the Corporation is not a party to or bound or affected by any Contract:

- (a) limiting the freedom of the Corporation to compete in any line of business or any geographic area, acquire goods or services from any supplier, establish the prices at which it may sell any goods or services, sell goods or services to any customer or potential customer, or transfer or move any of its assets or operations; or
- (b) which has a Material Adverse Effect on the Business.

7.42 Powers of Attorney

There are no outstanding powers of attorney executed on behalf of the Corporation.

7.43 No Outstanding Work Orders

There are no outstanding work orders to the Corporation from the Fire, Building, Hydro or Health departments and in the event any work order is issued on or before the Closing Date, each of the Vendors agrees to and hereby does assume responsibility to rectify and resolve same at its own expense.

7.44 No Broker

The Vendors have carried on all negotiations relating to this Agreement and the transactions contemplated in this Agreement directly and without the intervention of any other party in such manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Purchaser or the Corporation.

7.45 Service Contracts.

Schedule 1.01(ssss) sets out a general description of the material terms of all of the Service Contracts entered into by the Business. Except as set out in Schedule 1.01(ssss), since the Balance Sheet Date, there has been no termination or cancellation of, and no modification or change in, the business relationships with any of the Homes being serviced by the Business pursuant to such Service Contracts. The Vendors have no reason to believe that the benefits of any relationship under the Service Contracts will not continue after the Closing Date in substantially the same manner as prior to the date of this Agreement. True, correct and complete copies of all written Service Contracts, including any and all amendments and renewals, are attached to Schedule 1.01(ssss).

7.46 Trade Allowances

Except as disclosed in Schedule 7.46, no customers of the Corporation or the Business are entitled to or customarily receive discounts, allowances, rebates, credits, preferential terms, or similar reductions in price or other trade terms arising from any agreements or understandings (whether written or oral) with or concessions granted to any customer. All such discounts, allowances, rebates, credits, preferential terms, or

similar reductions in price or other trade terms are at the same levels as have been in existence for the three immediately preceding fiscal years and to the Vendors' knowledge are consistent with industry practice. Schedule 7.46 includes a summary of all material marketing and pricing policies, including promotions and trade allowances, which are currently in effect or which have been in effect during any of the three years preceding the Closing Date.

7.47 Operation of the Pharmacy

The operation of the Business by the Corporation (including maintenance of appropriate levels of inventory, and maintenance of customary prescription-fill periods for the Business's customers) has been and will be, until the Closing Date, carried on in the ordinary course and none of the Vendors know of any changes in the sales or script volume of the Business that will, in the aggregate, have a Material Adverse Effect to the Corporation or its Business.

7.48 No Conviction (Corporation)

The Corporation has not been convicted of an indictable offence related to misconduct, fraud or commercial matters within Canada or a similar offence outside Canada.

7.49 No Conviction (Individuals)

To the knowledge of the Vendors, each individual who exercises a significant degree of control over the management and policies or the conduct of pharmacists and pharmacy interns employed in the Business has not been convicted of an indictable offence related to misconduct, fraud or commercial matters within Canada or a similar offence outside Canada.

7.50 No Indebtedness owing by Non-Arm's Length Parties

On the Closing Date, there will be no existing advances, notes, accounts or loans owing by the Corporation to any of the Vendors or any other non-arm's length party to the Corporation.

7.51 COVID-19 Matters.

The Corporation has complied with all federal, provincial, and municipal public health orders concerning COVID-19.

7.52 Full Disclosure

- (a) Neither this Agreement nor any documents contemplated by this Agreement to which any of the Vendors is a party, to the knowledge of the Vendors: (i) contains any untrue statement of a material fact in respect of the affairs, operations or condition of the Corporation or the Business; and/or (ii) omits any statement of a material fact necessary in order to make the statements in respect of the Corporation or the Business, contained herein or therein not misleading. To the knowledge of the Vendors, there is no fact contained within any Contract or agreement not provided to the Purchaser which materially and adversely affects the affairs, operations or condition of the Corporation or the Business which has not been set forth in or attached to this Agreement.
- (b) Neither of the Vendors, nor the Corporation has engaged in any fraudulent conduct.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser represents and warrants to the Vendors as at the date hereof and as at the Effective Time as follows and acknowledges that the Vendors are relying upon such representations and warranties in connection with the sale by the Vendors of the Purchased Shares:

8.01 Good Standing

- (a) The Purchaser has been incorporated and organized and is validly subsisting under the Laws of the jurisdiction in which it was constituted. The Purchaser has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations under this Agreement and under all such other agreements and instruments.
- (b) There is no legal proceeding in progress or, to the knowledge of the Purchaser, pending or threatened against the Purchaser, and there is no order of any Governmental Authority outstanding against the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder.

8.02 Corporate Authorization

All necessary corporate action has been taken by the Purchaser to authorize the execution, delivery and performance of this Agreement, all other agreements and instruments to be executed by it as contemplated herein, and this Agreement and all other agreements and instruments to be executed by the Purchaser as contemplated herein constitute valid and binding obligations enforceable against the Purchaser (as applicable) by the Vendors in accordance with their terms subject only to any limitation on enforcement under applicable Laws relating to: (i) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights; and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction.

8.03 No Violation

The execution and delivery of this Agreement by the Purchaser, the performance by the Purchaser of its obligations hereunder and the consummation by the Purchaser of the Transaction will not:

- (a) contravene any provision of its constituting documents, articles, notice of articles, by-laws or any resolutions of the Purchaser or any amendments thereto;
- (b) subject to the receipt of all applicable Authorizations, violate or conflict with any Laws, statute, ordinance, rule, regulation, decree, writ, injunction, judgment or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon or enforceable against the Purchaser;
- (c) conflict with, result in any breach of, or constitute a default (or an event which would, with the passage of time or the giving of notice or both, constitute a default) under, or give rise to a right to terminate, amend, modify, abandon or accelerate, any Contract which is applicable to, binding upon or enforceable against the Purchaser;

- (d) result in or require the creation or imposition of any Lien upon or with respect to any of the property or assets of the Purchaser; or
- (e) require the authorization, consent, approval, authorization, permit of, or filing with or notification to, any Governmental Authority, any court tribunal or any other person, save and except for the approval of the TSXV and normal course and customary filings required to be made under applicable Laws.

8.04 Reporting Issuer

The Purchaser is a “reporting issuer” in material compliance with all applicable securities Laws of the all the provinces of Canada other than Quebec. The Purchaser is not noted in default under the list of reporting issuers maintained by the Alberta Securities Commission, or similar lists maintained in other jurisdictions. The Purchaser is in compliance and up to date with all material filings under applicable corporate and securities Laws and regulations. The outstanding common shares in the capital of the Purchaser are listed on the TSXV and the Purchaser is in material compliance with the by-laws, policies and rules of such exchange.

8.05 Investment Canada Act

The Purchaser is not a non-Canadian pursuant to the Investment Canada Act.

ARTICLE 9 ADDITIONAL ACKNOWLEDGEMENTS AND COVENANTS OF THE PURCHASER AND THE VENDORS

9.01 Conduct During Interim Period

During the Interim Period, without in any way limiting any other obligations of any of the Vendors in this Agreement:

- (a) Conduct Business in the Ordinary Course. The Vendors shall cause the Corporation to conduct the Business and the operations and affairs of the Corporation only in the ordinary course of business consistent with past practice (which would preclude any sale or disposition of assets outside the ordinary course), and the Vendors shall ensure that the Corporation shall not, without the prior written consent of the Purchaser, enter into any transaction or refrain from doing any action that would constitute a breach of any representation, warranty, covenant or other obligation of any of the Vendors contained herein, and provided further that, without limiting the generality of the foregoing, the Vendors shall cause the Corporation to ensure that it does not:
 - (i) amend its articles, by-laws, constating documents or other organizational documents;
 - (ii) amalgamate, merge or consolidate with, or acquire all or substantially all the shares or assets of any person;
 - (iii) transfer, lease, license, sell or otherwise dispose of any of its assets, or permit any encumbrance to attach to or affect any of its assets, other than in the ordinary course of business consistent with past practice; or

- (iv) carry out any act or thing of the kind described in Section 7.11;
- (b) Inventory Management. The Vendors shall manage the Business to maintain inventory levels, both on an overall basis and on a per category basis (including generic drugs) at historically normal operating levels for the Business, unless reasonably justified by current or anticipated sales or orders and it is the intent of the Parties that at all times the Business shall in any event keep sufficient levels of inventory (including pharmacy inventory) to service properly and fully the customers of the Business. Without limiting the generality of the foregoing, the Vendors shall not increase inventory levels, both on an overall basis and on a per category basis (including generic drugs) beyond historically normal operating levels for the Business, unless reasonably justified by current or anticipated sales or orders.
- (c) Continue Insurance. The Vendors shall cause the Corporation to continue to maintain in full force and effect all Insurance Policies or renewals thereof now in effect, and shall take out, at the expense of the Purchaser (except as otherwise specified in this Agreement), such additional insurance as may be reasonably requested by the Purchaser and shall give all notices and present all claims under all Insurance Policies in a timely fashion.
- (d) Preserve Goodwill. Each of the Vendors shall use commercially reasonable efforts to preserve intact, and cause the Corporation to preserve intact, the Business and the Assets of the Corporation, its management and commercial relations, and to carry on the Business as currently conducted, and to promote and preserve for the Purchaser the Goodwill of suppliers, customers and others having business relations with the Corporation.
- (e) Prescriptions. Each of the Vendors agrees not to transfer from the Corporation any prescription for any customer of the Business to any associated or affiliated pharmacy of the Vendors or any of them, or to any other pharmacy subsequent to the date of this Agreement except as specifically requested by a customer without suggestion or interference by or from any of the Vendors in respect of such transfer. Forthwith following receipt of any such transfer request, the Vendors shall provide notice to the Purchaser setting out all material details of such request. This covenant on the part of the Vendors shall survive throughout the Interim Period.
- (f) Prescriptions/Sales Reports. The Vendors shall provide, or cause the Corporation to provide, to the Purchaser, monthly prescription sales and point of sales reports of the Corporation for each month ended since May 1, 2023 to and including the last month ended prior to the date hereof and, by the date which is five Business Days before the Closing Date, the Vendors shall have delivered to the Purchaser daily prescription sales report and point of sales report updates to such date, including daily sales figures for each of the Homes and facilities serviced by the Business pursuant to the Service Contracts, as applicable, and weekly script transfer reports for the Business, all of which reports shall cover the period from the last month ended prior to the date hereof up to the day before the date which is five Business Days before the Closing Date and shall disclose no material net reduction in prescription volumes or sales. Notwithstanding the foregoing, the Vendors shall not be required to deliver the above noted reports, provided that the Purchaser shall directly be entitled to obtain such reports from the Corporation after the Closing Date.
- (g) Discharge Liabilities. The Vendors shall cause the Corporation to pay and discharge its liabilities in the ordinary course of business in accordance and consistent with the past practice, except those contested in good faith by the Corporation, such that by the Closing

Date there will be no Liens and/or executions existing against the Corporation or against the Purchased Shares, other than the Permitted Encumbrances.

- (h) Corporate Action. The Vendors shall take and cause the Corporation to take all necessary corporate actions, steps and proceedings to approve or authorize, validly and effectively, the execution and delivery of this Agreement and the other agreements and documents contemplated by this Agreement and to complete the transfer of the Purchased Shares to the Purchaser free and clear of all Liens and to cause all necessary meetings of directors and shareholders of the Corporation to be held for such purpose.
- (i) Access to Information. The Vendors shall at all times during the Interim Period, upon reasonable notice by the Purchaser to the Vendors, make available to the Purchaser and its representatives and advisers for examination all Corporate Records and Books and Records of the Corporation in the possession or under the control of any of the Vendors, including environmental and health and safety reports. The Vendors shall at all times during the Interim Period give the Purchaser and its representatives and advisers access to the Corporation's premises upon reasonable notice, in order to make such investigations as the Purchaser shall deem necessary or advisable, including for purposes of conducting any environmental audits, environmental site assessments (including soil and groundwater testing) or other investigations. Such investigations shall be carried out without undue interference with the operations of the Corporation and the Business. The Vendors shall give such persons all reasonable means necessary to effect such examinations and investigations and shall cause its agents, employees, officers and directors to use commercially reasonable efforts to aid such persons in such examinations and investigations. The Purchaser agrees to promptly repair or pay the reasonable cost to promptly repair any damage occasioned during and as a result of any inspections, investigations or tests conducted by the Purchaser or its authorized representatives. The Purchaser covenants and agrees to indemnify and save the Vendors and/or the Corporation harmless from and against all losses, costs, claims, third party claims, damages and expenses (including reasonable legal costs) that may be suffered or incurred by the Vendors and/or the Corporation arising from or in respect of the Purchaser's inspections, investigations or tests, including those which the Vendors and/or the Corporation may suffer or incur as a result of the negligence of the Purchaser or its representatives in the course of any such inspections/investigations/testing. This covenant and indemnity shall survive Closing or other termination of this Agreement for a period of two (2) years from the Closing Date notwithstanding any other provision hereof.
- (j) Telephone/Website/Email Address. The Vendors shall cause the Corporation to retain its existing telephone service, facsimile service, the website of the Business and any email addresses, and all computer and electronic equipment, software and programs relating thereto.
- (k) Banking Changes. The Vendors shall cause the Corporation to refrain from making any changes affecting the banking and safety deposit arrangements and powers of attorney referred to in Section 7.25 and to refrain from opening any new bank accounts or safety deposit boxes or granting any new powers of attorney. Notwithstanding the foregoing, the Corporation shall be permitted to remove excess cash, pay out as salaries, dividends or otherwise, all funds in excess of the Float in any of its bank accounts, subject to compliance with the terms of this Agreement and subject to any such removal or payments being reflected in the NAV Closing Statements.

- (l) Notification. The Vendors and/or the Purchaser with such assistance as it may require of the Vendors, shall notify the Pharmacy Board and all other applicable regulatory and Governmental Authorities as to the change of ownership of the Corporation.
- (m) Notification of Contingency. The Vendors shall promptly notify the Purchaser of any contingency or event that may cause a Material Adverse Effect to the Business or the Purchased Shares.
- (n) Notification of Outside Ordinary Course. The Vendors shall promptly notify the Purchaser of any conduct of the Business outside the ordinary course.
- (o) McKesson. The Vendors shall provide such assistance to the Purchaser as may be reasonably requested in order to have McKesson open new accounts in favour of the Purchaser or the Corporation for the Location so that such accounts can be active and operational upon Closing.
- (p) Notice of Material Change of the Vendors. From the date hereof until the earlier of the Closing Date or the termination of this Agreement, the Vendors shall promptly notify the Purchaser in writing of:
 - (i) any material change (as such term is defined in securities Laws) (actual, anticipated, contemplated or, to the knowledge of the Vendors, as the case may be, threatened, financial or otherwise) upon the business, affairs, operations, assets, liabilities or capital of the Corporation; or
 - (ii) any material change in the facts relating to any applicable representation or warranty of the Vendors set out in herein which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect.
- (q) Status and Filings. The Purchaser will use its commercially reasonable efforts to maintain its corporate status and comply with all material corporate and securities Laws and requirements (including any applicable filing requirements) prior to Closing.
- (r) Notice of Material Change of the Purchaser. From the date hereof until the earlier of the Closing Date or the termination of this Agreement, the Purchaser shall promptly notify the Vendors in writing of:
 - (i) any material change (as such term is defined in securities Laws) (actual, anticipated, contemplated or, to the knowledge of the Purchaser, as the case may be, threatened, financial or otherwise) upon the business, affairs, operations, assets, liabilities or capital of the Purchaser; or
 - (ii) any material change in the facts relating to any applicable representation or warranty of the Purchaser set out in herein which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect.
- (s) Actions to Satisfy Closing Conditions.

- (i) Each of the Vendors shall take all such actions as are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 10.01 including ensuring that during the Interim Period and on the Closing Date there is no breach of any of the representations and warranties of any of the Vendors.
- (ii) The Purchaser shall take all such actions as are within its power to control and use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 11.01 including ensuring that there is no breach of any of its representations and warranties.

9.02 Delivery and Preservation of Records

At the Effective Time, the Vendors shall deliver to the Purchaser all Corporate Records and Books and Records of the Corporation. The Purchaser agrees that it will preserve such Corporation Records and Books and Records so delivered to it for the period required by applicable Law (and for a minimum of Seven (7) years after the Closing Date), and will permit the Vendors or the Vendors' authorized representatives reasonable access thereto in connection with the preparation of the NAV Draft Documents and the NAV Closing Materials, to verify the Uncollected Receivables (as hereinafter defined) and/or for the purpose of satisfying specific bona fide requests made by tax authorities, recognized regulatory authorities or any other third party in connection with audits of the Business or claims against the Vendors relating to periods of time prior to the Closing Date, but the Purchaser shall not be responsible or liable to any of the Vendors for or as a result of any accidental loss or destruction of or damage to any such Corporate Records and Books and Records, provided that the Purchaser has used the same degree of care and diligence to safeguard and store such Corporate Records and Books and Records as it uses with respect to its own books and records.

9.03 Outdated Records and Pharmaceuticals

- (a) Outdated Records. On or before the date that is six (6) months after the Closing Date the Vendors may, at their option, remove from the Location or destroy all prescription files, customer records, computer reports and so forth that contain personal health information for customers of the Business that will be greater than 10 years old as of the Closing Date (calculated from the date the last pharmacy service was provided to the customer) (collectively, "**Outdated Record**"); provided that any Outdated Records pertaining to customers of the Business under the age of 21 as of the Closing Date shall be maintained at the Location. In the event that the Vendors fail to remove or destroy the Outdated Records on or before the date that is six (6) months after the Closing Date, then forthwith after receipt of an invoice from the Purchaser in respect of the removal and/or destruction of the Outdated Records, the Vendors shall reimburse the Purchaser for the reasonable charges it incurs in respect of such removal and destruction.
- (b) Outdated Pharmaceuticals. Prior to the Closing Date, the Vendors shall remove from the Location and destroy all prescription pharmaceuticals and chemicals that will have an expiry date of less than 30 days following the Closing Date, other than those that can be returned for credit (collectively, "**Outdated Pharmaceuticals**"). In the event that the Vendors fail to remove and destroy the Outdated Pharmaceuticals prior to the Closing Date, then forthwith after receipt of an invoice from the Purchaser in respect of the removal and/or destruction of the Outdated Pharmaceuticals, the Vendors shall reimburse the Purchaser for the reasonable charges it incurs in respect of such removal and destruction.

For greater certainty, any reimbursements referenced in this Section 9.03(b) shall be included in the Net Asset Value Adjustment.

9.04 Change of Control Tax Returns

- (a) The Vendors shall, as soon as practicable after the Closing Date, and, in any event, by no later than 120 days thereafter, (which cost shall be accrued and recorded in the Closing Statements thereby reducing the Net Asset Value) cause the Corporation's Current Accountants to duly prepare, in a manner consistent with prior tax returns filed by the Corporation, all tax returns required to be filed for the Corporation under the Tax Act and any applicable provincial counterpart, and to prepare any corresponding information returns and forms, in respect of the taxation years of the Corporation ending as a consequence of the signing of this Agreement and the Closing (collectively, the "**Change of Control Tax Returns**"). All Change of Control Tax Returns shall be prepared in a manner consistent with prior tax returns filed by the Corporation and shall be provided to the Purchaser for review and comment at least 20 Business Days prior to the date upon which such Change of Control Tax Returns are required to be filed. After review by the Purchaser, the Purchaser shall instruct the Corporation's Current Accountants to file the Change of Control Tax Returns.
- (b) In connection with the preparation of Change of Control Tax Returns and audits relating to the Corporation by any Governmental Authority or any administrative or judicial proceeding resulting therefrom, the Purchaser will cause the Corporation to, and the Vendors and the Purchaser will, co-operate fully with one another, including the furnishing or making available of records, personnel (as reasonably required), books of account or other materials necessary or helpful for the preparation of Change of Control Tax Returns, the conduct of audits or the defense of claims by a Governmental Authority as to the imposition of Taxes for any taxation years ending on or prior to the Closing Date.

9.05 Accounts Receivable and Supplier Rebates

- (a) All Accounts Receivable and Supplier Rebates of the Corporation in existence and which remained uncollected on the Closing Date shall be valued on the NAV Closing Statements at full face value, except for Accounts Receivable and Supplier Rebates which the Corporation has not collected, been granted or received (as applicable) during the period between the Closing Date and the NAV Statement Date (collectively, the "**Uncollected Receivables**"). The Uncollected receivables shall be deemed to have zero value for purposes of the NAV Closing Statements and the calculation of the Net Asset Value and, as a result, shall not be included in the value of the Current Assets shown on the NAV Closing Statements or the calculation of the Net Asset Value, but shall be an increase to the Original Purchase Price if collected, in accordance with Section 9.05(d) herein.
- (b) During the period between the Effective Time and the NAV Statement Date, it is understood that any payment from customers owing amounts on account of Accounts Receivables that were in existence as at the Closing Date which payments are not designated for specific invoices will be applied to the oldest invoices first, regardless of whether the invoices had been issued prior to Closing Date or are issued subsequent to Closing Date.
- (c) During the period between the Effective Time and the NAV Statement Date, the Purchaser will use reasonable commercial efforts (except that it will have no obligation to bring legal

or other proceedings) to collect Accounts Receivable of the Corporation that were in existence as at the Closing Date and permit the Vendors to assist with such collection provided that the Vendors at all times before and after the closing of the Transaction act in a reasonable manner so as to not adversely affect the goodwill of the Business.

- (d) Any payment on account of Uncollected Receivables received by the Purchaser after the NAV Statement Date and before the 12 month anniversary of the Closing Date will be remitted by the Corporation to the Vendors promptly at the end of each three month period after the NAV Statement Date during which any such amounts are received, together with all reasonably necessary particulars thereof. The Parties acknowledge and agree that the Purchaser shall use or cause the Corporation to use commercially reasonable efforts to collect any such Uncollected Receivables during such time period (provided that it will have no obligation to bring legal or other proceedings to do so).

9.06 Employees

- (a) The Employees shall continue to be employed with the Corporation following the Closing on terms and conditions that are the same or substantially similar (and no less favourable in aggregate) to their current employment with the Corporation.
- (b) Prior to the Effective Time, the Vendors shall cause the Corporation to terminate the employment of all of those Employees who are direct or indirect shareholders of the Corporation or non-arm's length to the Corporation (the "**Excluded Employees**").
- (c) All salaries, remuneration, commission, source deductions and other entitlements of or obligations to or in respect of all Employees up to the Effective Time, including accrued vacation pay and bonuses, shall be paid by the Corporation before the Closing Date or shall accrue in the NAV Closing Statements.
- (d) All severance pay and termination obligations for the Excluded Employees, if any, are the obligation of and shall be paid by the Corporation prior to the Closing Date.
- (e) The Vendors covenant to and do hereby indemnify and save the Purchaser and the Corporation and their respective successors and assigns harmless in respect of: (i) any liability in reference to Subsections 9.06(c) and 9.06(d) that has not been paid by the Corporation before the Effective Time on the Closing Date (unless such amounts have accrued in the NAV Closing Statements); and (ii) any claims arising from the termination of employment, including damages for wrongful dismissal, made by Excluded Employees.
- (f) Prior to the Closing Date with effect as of the Effective Time, [Name redacted]To shall submit to the Corporation his written resignation as an employee of the Corporation.
- (g) The Vendors covenant to and do hereby indemnify and save the Purchaser and the Corporation and their successors and assigns harmless in respect of any liability related to the termination of [Names redacted] to be entered into with effect on the Closing Date to the extent that such liability relates to or arises as a result of service to the Corporation up to the Closing Date.

9.07 Pre-Closing Transactions

- (a) The index set forth in Schedule 9.07 sets forth the steps completed in connection with the crystallization of the Vendors' capital gains exemption in relation to the Purchased Shares, effective June 12, 2024. The foregoing steps together with the removal by the Vendors of any excess cash in the Corporation as of Closing, shall collectively be referred to herein as the "Pre-Closing Transactions".
- (b) The Vendors shall be solely responsible and liable for, and indemnify the Purchaser and hold the Purchaser harmless in respect of any and all costs, including any applicable Taxes, relating to or arising out of or in connection with the Pre-Closing Transactions.

9.08 Post-Closing Access and Cooperation

After the Closing, upon reasonable notice, the Purchaser and the Corporation will give, or cause to be given, to the Vendors and their, accountants, employees, counsel and other representatives of the Vendors, access, during normal business hours, to the Books and Records which relate to the Business and which relate to periods prior to the Closing, and will permit such persons to examine and copy such Books and Records to the extent reasonably requested by the Vendors and such persons in connection with the preparation of tax and financial reporting matters, audits, legal proceedings and governmental investigations. In addition, the Vendors and the Purchaser will cooperate, as is reasonable, with each other in the conduct of any tax or pharmacy audit including providing personnel to assist with such audits, and to ensure that such audits are completed, reasonably, in accordance with the timelines requested for such audits. The Purchaser further covenants and agrees that the Vendors or its representatives shall have the right to be present for any such audits and shall be entitled to fully participate in the audit process. However, the Purchaser shall not be obligated to take any action pursuant to this Section 9.08 which would unreasonably disrupt the normal course of its business, breach any law, violate the terms of any contract to which it is a party or to which it or any of its assets is subject or grant access to any of its proprietary, confidential or classified information. The Vendors covenant and agree to indemnify and save the Purchaser and/or the Corporation harmless from and against all losses, costs, claims, third party claims, damages and expenses (including reasonable legal costs) that may be suffered or incurred by the Purchaser and/or the Corporation arising from or in respect of the Vendors', and their accountants', employees', counsel's and other representatives' of the Vendors, examinations and conduct in respect of this Section 9.08 or their preparation of tax and financial reporting matters, audits, legal proceedings and governmental investigations as described in this Section 9.08, including those losses, costs, claims, third party claims, damages and expenses (including reasonable legal costs) which the Purchaser or the Corporation may suffer or incur as a result of the negligence of the Vendors, and their accountants, employees, counsel and other representatives of the Vendors, in the course of any such examinations or conduct. This covenant and indemnity shall survive Closing or other termination of this Agreement for a period of seven (7) years from the Closing Date notwithstanding any other provision hereof.

ARTICLE 10

CONDITIONS OF CLOSING FOR THE BENEFIT OF THE PURCHASER

10.01 Conditions for the Benefit of the Purchaser

The Purchaser's obligation to purchase the Purchased Shares from the Vendors is subject to the fulfillment or satisfaction of, or compliance with, all of the following conditions at or prior to the Effective Time or such other date or time stipulated, each of which is for the exclusive benefit of the Purchaser and may be waived by the Purchaser in whole or in part by written notice to the Vendors at any time (the "**Purchaser's Conditions**"):

- (a) Due Diligence. The Purchaser shall have been satisfied in its sole discretion with respect to the results of its due diligence investigation relating to the assets and liabilities of the Corporation and the Business.
- (b) Representations, Warranties and Covenants. On the Closing Date, the representations and warranties of the Vendors made in or pursuant to this Agreement shall be true and correct in all material respects as at the Effective Time with the same force and effect as though such representations and warranties had been made as of the Effective Time. The Vendors shall have performed or complied with all covenants, obligations and agreements in this Agreement to be performed or caused to be performed by any of them at or prior to the Effective Time. In addition, the Vendors shall have delivered to the Purchaser a certificate confirming the foregoing.
- (c) PharmaChoice.
 - (i) The Purchaser shall have received written evidence of PharmaChoice's waiver of its rights of first refusal in respect of the Transaction.
 - (ii) The Purchaser shall have received the written consent of PharmaChoice to the application of the Purchaser's current banner agreement with PharmaChoice to the Business with effect on and from the Closing Date on terms satisfactory to the Purchaser in all material respects.
- (d) Inventory Value. The value of the Inventory shall have been determined by way of an inventory count in accordance with Section 5.02.
- (e) CEBA Loan. On or before the Closing Date, any outstanding CEBA Loan shall have been repaid in full.
- (f) Medical Doctors.
 - (i) On or before the Closing Date, the Corporation, the Purchaser, and any doctors with which the Corporation has contractual arrangements, written or verbal, shall have entered into agreements with effect as of and from the Closing Date on terms satisfactory to the Purchaser in its sole discretion at no cost to the Purchaser, providing for their consent to the Transaction, as applicable.
 - (ii) On or before the Closing Date, the Purchaser shall have satisfied itself, in its sole opinion, that any Contracts and arrangements between the Corporation and any medical doctors are capable of being continued to operate for the benefit of the Corporation and the Purchaser, without any material changes other than those, if any, required by the Purchaser.
- (g) Pharmacy/Service Contracts. On or before the Closing Date, the Purchaser shall have satisfied itself, in its sole opinion, that the Service Contracts and the Pharmacy Contracts are capable of being continued to operate for the benefit of the Corporation and the Purchaser, without any material changes other than those, if any, required by the Purchaser.
- (h) WCB Payments. All levies due and/or payable prior to the Closing Date under the *Workplace Health, Safety and Compensation Act*, [Province redacted].

- (i) Daily Sales Reports. On the date which is five Business Days before the Closing Date, the Vendors shall have delivered to the Purchaser a daily prescription sales report and point of sale report update, including daily sales figures for each of the homes and facilities serviced by the Business pursuant to the Service Contracts, as applicable, and a weekly script transfer report for the Business generally, all of which reports shall cover the period from the Balance Sheet Date up to the day before the delivery date of the reports and such reports shall require the written approval of the Purchaser, and shall not evidence the occurrence of a Material Adverse Effect, as determined by the Purchaser in its sole discretion acting reasonably.
- (j) Employees. The Vendors shall have complied with their obligations in respect of Employees as set out in Section 9.06.
- (k) Key Employees. On or before the Closing Date, the Corporation, [Names redacted] shall have entered into an employment agreement provided, however, that such employment agreement shall contain non-competition and non-solicitation covenants of at least 12 months.
- (l) No Material Adverse Change. On the Closing Date, except as has been specifically permitted in this Agreement, since the Balance Sheet Date there shall not have been:
 - (i) any Material Adverse Effect; or
 - (ii) any pending or threatened litigation involving the Corporation or any of the Vendors affecting the ability of the Parties to complete the Transaction; or
 - (iii) any damage by fire or other hazard to the physical Assets of the Corporation likely to have a materially adverse effect on the affairs, assets, liabilities, or financial condition of the Corporation or the Business, will have occurred prior to the Effective Time.
- (m) No Action to Restrain/No Adverse Law. On or before the Closing Date, no Law shall have been made, and no action or proceeding shall be pending or threatened, which is likely to result in an order, decision or ruling imposing any limitations or conditions which may have a Material Adverse Effect on the Transaction or the right of the Purchaser to own the Purchased Shares or to operate the Business as it has been to date.
- (n) Consents. On the Closing Date, the required consents set out in Schedule 7.10 and set out in Schedule 7.19, including such consent and approvals of the Pharmacy Board as well as government and third party payors in connection with the reimbursement of prescription drugs that are required for the Purchaser to operate the Business in the ordinary course as of and from the Closing, and any other consents, approvals or Authorization of lenders, lessors and other third parties necessary to consummate the Transaction, including in respect of any Services Contracts or Pharmacy Contracts, shall have been obtained by the Vendors and/or the Purchaser, as applicable, and shall be in full force and effect on the Closing Date.
- (o) Discharges, Releases and/or No Interest Letters. On or before the Closing Date:
 - (i) the Vendors shall have effected discharges, or delivered releases and/or no interest letters (in a form acceptable to the Purchaser and the Purchaser's

lender, acting reasonably) in respect of all Liens existing against the Purchased Shares and/or the Assets of the Corporation, as may be required by the Purchaser, other than the Permitted Encumbrances; or

- (ii) the Vendors' Counsel shall have provided its written undertaking to effect discharges within a reasonable period of time after the Closing Date of all Liens existing against the Purchased Shares and the Assets of the Corporation, other than the Permitted Encumbrances.
- (p) Rectification of Corporate Records. On or before the Closing Date, the Vendors shall have rectified the Corporate Records of the Corporation to the satisfaction of the Purchaser, acting reasonably, including rectification of the share ledgers and the number and type of securities outstanding, as applicable.
- (q) Contingent Liabilities. The Corporation shall not have any repayment obligation due to any person in connection with any up-front payment or incentive received under any long term agreement existing on or prior to the Closing Date.
- (r) Profitability. Except as specifically set forth in Schedule 7.38, the profitability of the Corporation as at the Balance Sheet Date provided by the Vendors and used for the calculation of the value of the Business in the Financial Statements shall not include any grant income or similar type of non-sustainable income, or any income in the form of a conversion allowance as part of a long term agreement.
- (s) Deliveries. The Vendors shall have delivered or caused to be delivered to the Purchaser the following:
 - (i) A confidentiality, non-competition and non-solicitation agreement duly executed by each of the Vendors, and the principals of such Vendors, on a joint and several basis in the form attached hereto as Exhibit "A";
 - (ii) duly executed resignations of each director and officer of the Corporation and of each of the Vendors as an employee and/or contractor of the Corporation, as applicable;
 - (iii) the certificate(s) representing the Purchased Shares, duly endorsed for transfer to the Purchaser or Stock Transfer Powers, as well as originally executed new share certificate(s) registered in the name of the Purchaser for the number and type of shares set forth in the Purchased Shares, in order to fully and effectively transfer ownership of the Purchased Shares to the Purchaser;
 - (iv) a release from each of the Vendors and each of the directors and officers of the Corporation, as the case may be, in a form acceptable to the Purchaser, acting reasonably;
 - (v) a certificate from the Vendors confirming the truth and correctness in all material respects of the Vendors' representations and warranties contained in this Agreement;

- (vi) the Corporate Records and Books and Records of the Corporation or an undertaking of Vendors' Counsel to deliver same (including original share certificates representing shares in the capital of the Corporation) to Purchaser's Counsel by courier within seven days following Closing;
 - (vii) all of the existing keys and the security alarm codes for the Location, the combinations to any safes located at the Location, and possession of the Assets of the Corporation;
 - (viii) certified copies of resolutions of the directors of the Corporation authorizing and approving the Transaction and the transfer and delivery of the Purchased Shares under the provisions of this Agreement;
 - (ix) all documentation and other evidence reasonably requested by the Purchaser in order to establish the due authorization and consummation of the Transaction and/or required to effectively carry out the obligations of the Vendors pursuant to this Agreement.
- (t) Exhibits. On or before the Closing Date, the Purchaser shall have been satisfied in its sole and absolute discretion with the form of all of the Exhibits to be attached to this Agreement.
- (u) Schedules. On or before the Closing Date, the Purchaser shall have been satisfied in its sole and absolute discretion with the form of all of the Schedules to be attached to this Agreement.
- (v) Outstanding USA. On or before the Closing Date, any shareholder agreement among the Vendors shall have been terminated and be of no force and effect, and the Vendors shall have provided written evidence, satisfactory to the Purchaser in its sole discretion, of such termination of such shareholder agreement in accordance with the terms of this Section 10.01(v).
- (w) Reorganization. The Vendors shall have delivered to Purchaser evidence that the Pre-Closing Transactions have been completed, such evidence to include copies of all documents, agreements, resolutions, forms, certificates and fillings necessary, in form and substance satisfactory to Purchaser and its legal counsel, acting reasonably, in accordance with the Pre-Closing Transactions noted in Schedule 9.07.
- (x) TSXV Acceptance. On or before the Closing Date, the TSXV shall have conditionally accepted the Transaction.
- (y) Acquisition of the Shares of the Property Owner. On or before the Closing Date, the Property Owner, the Property Owners Shareholder and the Purchaser having concluded the transaction contemplated under the [Name redacted] Share Purchase Agreement.

10.02 Waiver or Termination by the Purchaser

The conditions contained in Section 10.01 are inserted for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time without prejudice to any of its rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 10.01 are not fulfilled or complied with by the time provided for, the Purchaser may, at or prior to the Effective Time, terminate this Agreement by notice in writing to the

Vendors. Other than Sections 16.01 and 16.12, in event the event of termination of this Agreement, the Purchaser shall be released from all obligations in this Agreement and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Vendors, then the Vendors shall also be released from all obligations in this Agreement.

10.03 Non-Waiver

No waiver by the Purchaser of any condition contained in Section 10.01 in whole or in part, shall operate as a waiver of any other condition.

ARTICLE 11 CONDITIONS OF CLOSING FOR THE BENEFIT OF THE VENDORS

11.01 Conditions for the Benefit of the Vendors

The obligation of the Vendors to complete the Transaction is subject to the fulfillment or satisfaction of, or compliance with, all of the following conditions at or prior to the Effective Time or such other date or time stipulated, each of which is for the exclusive benefit of the Vendors and may be waived by the Vendors in whole or in part by written notice to the Purchaser at any time:

- (a) Purchase Price. On or before the Closing Date, the Purchaser shall have paid or caused to be paid the Original Purchase Price in accordance with Section 5.01.
- (b) Representations, Warranties and Covenants. The representations and warranties of the Purchaser made in or pursuant to this Agreement shall be true and accurate at the Effective Time with the same force and effect as though such representations and warranties had been made as of the Effective Time. The Purchaser shall have complied with all covenants and agreements in this Agreement to be performed or caused to be performed by it at or prior to the Effective Time. In addition, the Purchaser shall have delivered to the Vendors a certificate confirming the foregoing. The receipt of such certificate and the completion of the Transaction shall not be deemed to constitute a waiver of any of the representations, warranties or covenants of the Purchaser contained in this Agreement which shall continue in full force and effect.
- (c) PharmaChoice. The Vendors shall have received written evidence of PharmaChoice's waiver of its rights of first refusal in respect of the Transaction.
- (d) Consents. On the Closing Date, the required consents set out in Schedule 7.10 and set out in Schedule 7.19, including such consent and approvals of the Pharmacy Board as well as government and third party payors in connection with the reimbursement of prescription drugs that are required for the Purchaser to operate the Business in the ordinary course as of and from the Closing, and any other consents, approvals or Authorization of lenders, lessors and other third parties necessary to consummate the Transaction, including in respect of any Services Contracts or Pharmacy Contracts, shall have been obtained by the Vendors and/or the Purchaser, as applicable, and shall be in full force and effect on the Closing Date.
- (e) Inventory Value. The value of the Inventory shall have been determined by way of an inventory count in accordance with Section 5.02.

- (f) Discharges, Releases and/or No Interest Letters. On or before the Closing Date, the Vendors shall have effected discharges, or delivered releases and/or no interest letters (in a form acceptable to the Purchaser and the Purchaser's lender, acting reasonably) in respect of all Liens existing against the Purchased Shares and/or the Assets of the Corporation (other than the Permitted Encumbrances), as may be required by the Purchaser.
- (g) Deliveries. The Purchaser shall have delivered or caused to be delivered to the Vendors the following:
 - (i) a certificate from the Purchaser confirming the truth and correctness in all material respects of the Purchaser's representations and warranties contained in this Agreement;
 - (ii) a certified copy of resolutions of the directors of the Purchaser authorizing and approving the Transaction and the execution and delivery of the documents required of the Purchaser under the provisions of this Agreement;
 - (iii) a Release from the Corporation in a form satisfactory to the Vendor acting reasonably; and
 - (iv) all documentation and other evidence reasonably requested by the Vendors in order to establish the due authorization and consummation of the Transaction, including the taking of all corporate proceedings by the board of directors of the Purchaser required to effectively carry out the obligations of the Purchaser pursuant to this Agreement.
- (h) No Material Adverse Effect. There shall not have occurred any material adverse effect with respect to the Purchaser.
- (i) Absence of Cease Trade Order, etc. No act, action, suit or proceeding shall have been threatened or taken before or by any Governmental Authority or securities regulatory authority in Canada, the United States or elsewhere, whether or not having the force of law, and no law, regulation or policy shall have been proposed, enacted promulgated or applied, which has the effect to cease trade, enjoin, or impose material limitations or conditions on the transactions contemplated by this Agreement or which, if the Transaction is consummated, would materially and adversely affect the Purchaser.
- (j) Exhibits. On or before the Closing Date, the Vendors shall have been satisfied in their sole and absolute discretion with the form of all of the Exhibits to be attached to this Agreement.
- (k) Schedules. On or before the Closing Date, the Vendors shall have been satisfied in their sole and absolute discretion with the form of all of the Schedules to be attached to this Agreement.

11.02 Waiver or Termination by the Vendors

The conditions contained in Section 11.01 are inserted for the exclusive benefit of the Vendors and may be waived in whole or in part by the Vendors at any time without prejudice to any of their rights of termination in the event of non-performance of any other condition in whole or in part. If the conditions contained in Section 11.01 are not fulfilled or complied with by the time provided for, the Vendors may, at or prior to

the Effective Time, terminate this Agreement by notice in writing to the Purchaser. In such event the Vendors shall be released from all obligations in this Agreement and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Purchaser, then the Purchaser shall also be released from all obligations in this Agreement, provided that the Purchaser shall have returned all copies of any Books and Records of the Corporation that were in the possession of the Purchaser pursuant to the Purchaser conducting its due diligence.

11.03 Non-Waiver

No waiver by the Vendors of any condition contained in Section 11.01 in whole or in part, shall operate as a waiver of any other condition.

ARTICLE 12 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

12.01 Survival of Representations and Warranties of the Vendors

The representations and warranties of the Vendors contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant hereto shall survive the Closing and shall continue for the benefit of the Purchaser for the following periods notwithstanding the Closing, nor any investigation made by or on behalf of the Purchaser or any knowledge of the Purchaser:

- (a) the representations and warranties set out in Sections 7.01 (Organization and Capacity to Carry on Business), 7.02 (Capitalization), 7.03 (Title to Purchased Shares), 7.04 (No Agreements, Options, etc.), 7.12 (No Violation) and 7.32 (Power and Authority) shall survive and continue in full force and effect without limitation of time;
- (b) the representations and warranties set out in Section 7.27 (Taxes) and 7.30 (Residency) shall survive the Closing and continue in full force and effect until, but not beyond, the date which is 90 days after the expiration of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for Taxes under applicable tax legislation in respect of any taxation year ending on or prior to the Closing Date to which such representations and warranties extend could be issued under such tax legislation to the Corporation;
- (c) the balance of the representations and warranties set out in Article 7 shall survive the Closing and continue in full force and effect until the date which is the two (2) year anniversary of the Closing Date except for any unresolved bona fide claims by the Purchaser set forth in written notices to the Vendors prior to such date; and
- (d) a claim for any breach of any of the representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud or fraudulent misrepresentations may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Law.

12.02 Survival of the Representations and Warranties of the Purchaser

The representations and warranties of the Purchaser contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant hereto shall survive the Closing

and shall continue for the benefit of the Vendors for the following periods notwithstanding the Closing, nor any investigation made by or on behalf of the Vendors or any knowledge of the Vendors:

- (a) the representations and warranties set out in Sections 8.02 (Corporate Authorization), 8.03 (No Violation), and 8.05 (Investment Canada Act) shall survive and continue in full force and effect without limitation of time;
- (b) the balance of the representations and warranties set out in Article 8 shall survive the Closing and continue in full force and effect until the date which is the two (2) year anniversary of the Closing Date except for any unresolved bona fide claims by the Vendors set forth in written notices to the Purchaser prior to such date; and
- (c) a claim for any breach of any of the other representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud or fraudulent misrepresentations may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Law.

12.03 Survival of Covenants

Nothing herein shall limit any covenant or agreement of any one or more of the Parties that, by its terms or otherwise, contemplates performance after the Closing, all of which covenants and agreements shall survive for a period of two (2) years after the Closing Date.

ARTICLE 13 INDEMNIFICATION

13.01 Indemnification by the Vendors

Subject to the limitations set out in this Article 13, the Vendors, on a joint and several basis, shall indemnify and save harmless the Purchaser on an after Tax basis from all Losses suffered or incurred by the Purchaser (including all Losses suffered by the Corporation in the event that Closing has occurred, but without duplication), as a result of or arising out of or in connection with:

- (a) any breach by any of the Vendors of or any inaccuracy of any representation or warranty of any of the Vendors contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto (provided that the Vendors shall not be required to indemnify or save harmless the Purchaser in respect of any breach or inaccuracy of any representation or warranty unless the Purchaser shall have provided notice to the Vendors in accordance with Section 16.05 on or prior to the expiration of the applicable time period related to such representation and warranty set out in Section 12.01);
- (b) any breach or non-performance by any of the Vendors of any covenant to be performed by it that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto;
- (c) any liability or obligation (whether contingent or otherwise) not reflected on the balance sheet forming part of the Closing Statements or otherwise disclosed herein, arising in connection with the operation of the Business prior to the Effective Time or relating to a state of affairs or circumstances existing prior to the Effective Time which affairs or circumstances have not been impaired subsequent to the Effective Time by the Purchaser

and in the event of such impairment by the Purchaser, the Vendors shall have no obligation to indemnify the Purchaser for the loss attributed to such impairment but the obligation to indemnify the Purchaser for the original indemnified Loss remains;

- (d) any litigation, claims, demands, judgments, orders or duties or other proceeding pending as of the Effective Time or commenced at any time thereafter, relating to any incident or circumstance existing prior to the Effective Time;
- (e) any amounts determined to be owing by the Corporation resulting from any audits or investigations by any private or governmental third party provider or insurer for any period of time prior to the Closing Date which are not disclosed on and included in the balance sheet forming part of the Closing Statements as actual liabilities;
- (f) any liability or obligation including any liability or obligation for Taxes, in respect of, arising in or pertaining to any period of time ended on or prior to the Effective Time;
- (g) all liabilities incurred by one or more of the Purchaser or the Corporation for brokerage of finders' fees or agents' commissions or other similar payments in connection with the Transaction; and
- (h) any other matters set out in this Agreement in respect of which any of the Vendors has expressly agreed to indemnify the Purchaser, as the case may be.

13.02 Indemnification by the Purchaser

The Purchaser shall indemnify and save harmless the Vendors on an after Tax basis from all Losses suffered or incurred by the Vendors as a result of or arising out of or in connection with:

- (a) any breach by the Purchaser of or any inaccuracy of any representation or warranty of the Purchaser contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto (provided that the Purchaser shall not be required to indemnify or save harmless the Vendors in respect of any breach or inaccuracy of any representation or warranty unless the Vendors shall have provided notice to the Purchaser in accordance with Section 16.05 on or prior to the expiration of the applicable time period related to such representation and warranty set out in Section 12.02); and
- (b) any breach or non-performance by the Purchaser of any covenant to be performed by it that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto.

13.03 Notice of Claim

- (a) In the event that a Party (the "**Indemnified Party**") shall become aware of any Claim in respect of which another Party (the "**Indemnifying Party**") agreed to indemnify the Indemnified Party pursuant to this Agreement, the Indemnified Party shall promptly give written notice thereof to the Indemnifying Party (a "**Claim Notice**"). Such Claim Notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a "**Third Party Claim**") or whether the Claim does not so arise (a "**Direct Claim**") and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Claim and the amount of the Claim, if known.

13.04 Direct Claims

- (a) With respect to any Direct Claims, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have 30 days to make such investigation of the Claim as is considered necessary or desirable and to respond to the Indemnified Party. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party all information and documentation relied upon by the Indemnified Party to substantiate the Claim, together with all such other information and documentation as the Indemnifying Party may reasonably request.
- (b) If both Parties agree at or prior to the expiration of such 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall, immediately pay to the Indemnified Party the full agreed upon amount of the Claim.
- (c) If the Parties do not agree within such 30 day period (or any mutually agreed upon extension thereof), the Parties agree that the dispute shall be submitted to arbitration pursuant to Article 15 of this Agreement.

13.05 Third Party Claims

- (a) With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in the negotiation, settlement or defence of the Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all of the Indemnified Party's reasonable out-of-pocket expenses as a result of such participation or assumption.
- (b) If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable Law to make a payment to any person ("**Third Party**") with respect to the Third Party Claim before the completion of settlement negotiations or related Legal Proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment.
- (c) If the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such payment was made, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party.

13.06 Settlement of Third Party Claims

The Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, provided that such consent will not be unreasonably withheld or delayed.

13.07 Co-operation

The Indemnified Party and the Indemnifying Party shall co-operate fully and in good faith with each other with respect to all Direct Claims and Third Party Claims and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available). No Party shall be entitled to be compensated more than once for the same Loss.

13.08 Payment of Claims

Notwithstanding anything else contained herein, the payment of any Claim payable pursuant to this Article 13 to the Purchaser as an Indemnified Party shall be satisfied by setting off and deducting the amount of such Claim payable pursuant to this Article 13 to the Purchaser as an Indemnified Party *pro rata* against amounts payable by the Purchaser to the Vendors after the Closing Date. Any such Claims which are payable pursuant to this Article 13 to the Purchaser as an Indemnified Party and are not fully satisfied in accordance with the foregoing shall continue and shall be paid forthwith by the Vendors.

13.09 Materiality Scrape.

For purposes of calculating Losses pursuant to this Article 13, the representations and warranties will be deemed to have been made without the inclusion of limitations or qualifications as to materiality, such as the words “material”, “immaterial” and “in all material respects” or words of similar import. The foregoing shall not affect references to the terms “Material Adverse Effect” or “Material Contracts”.

13.10 Limitations

- (a) Subject to subsection (c) below, the indemnification provisions set out in this Article 13 shall be subject to the following limitations:
 - (i) The aggregate liability of all Vendors for Losses shall not exceed the Purchase Price.
- (b) The Vendors shall not be liable to the Purchaser for indemnification under Section 13.01 until the aggregate amount of all Losses in respect of indemnification under Section 13.01 exceeds the sum of [Amount redacted] dollars (the “Threshold”), in which event the Vendors shall be required to pay or be liable for Losses both above and below the Threshold.
- (c) Payments by an Indemnifying Party under Section 13.01 or Section 13.02 in respect of any Losses shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment actually received by the Indemnified Party (or the Corporation) in respect of any such Claim (less any costs, expenses, deductibles and premium increases incurred in connection therewith). The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements available to it in order to minimize the amount of Losses for which the Vendors are required to then indemnify the Purchaser hereunder.
- (d) No Losses may be claimed under Section 13.01 or Section 13.02 by any Indemnified Party to the extent that such Losses are included in the calculation of any adjustment to the Purchase Price under this Agreement to the extent that any amounts payable by an Indemnifying Party as a result of such adjustment have been paid. An Indemnified Party shall not be entitled to double recovery for any Losses even though they may have resulted from the breach of more than one of the representations, warranties, agreements and covenants contained in this Agreement.
- (e) Subsection (a) above will not be applicable in any manner whatsoever in respect of:

- (i) any Claim by the Purchaser against any one or more of the Vendors for indemnification in respect of any of the representations or warranties referred to in sections 12.01(a) or 12.01(b) being untrue;
- (ii) any Claim by the Purchaser against any one or more of the Vendors for indemnification under subsections 13.01(c) — 13.01(f);
- (iii) any Claim by the Purchaser against any one or more of the Vendors for indemnification under subsection 13.01 to the extent same results from the Vendors' willful failure to fulfil or perform any covenant that is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto; or
- (iv) any Claim by the Purchaser against any of the Vendors for indemnification in respect of any fraud or fraudulent misrepresentations.

13.11 Tax Treatment

Any payment under this Article 13 of this Agreement shall constitute a Purchase Price adjustment unless otherwise required by applicable Law, and each of the Parties shall within a reasonable time of payment and receipt of such payment, as applicable, request all amendments to its current or past tax returns as may be necessary to reflect the foregoing.

ARTICLE 14 CLOSING ARRANGEMENTS

14.01 Closing

The Closing shall take place remotely and simultaneously at the offices of the Vendors' Counsel and the Purchaser's Counsel at 9:00 a.m. Calgary time on the Closing Date or such other time as agreed to by the Parties. At the Closing, each Party shall exchange PDF copies of all documents and deliverables together with such originals as are required by the Purchaser or the Vendors, as the case may be.

14.02 Procedure

- (a) On or before the Effective Time, the Vendors shall deliver, or cause to be delivered, to the Purchaser, *inter alia*:
 - (i) certificate(s) representing the Purchased Shares endorsed for transfer to the Purchaser together with stock transfer powers of attorney in respect of the Purchased Shares or if non-certificated securities, stock transfers;
 - (ii) the documents and other deliveries listed in Section 10.01(s);
 - (iii) the Corporate Records of the Corporation, including the company filing password of the Corporation;
 - (iv) the Books and Records of the Corporation;

- (v) certified copies of the resolutions of the board of directors of the Corporation consenting to the transfer of the Purchased Shares to the Purchaser; and
 - (vi) such other documentation as may be considered necessary or desirable by the Purchaser's Counsel, acting reasonably, to complete the Transaction.
- (b) On or before the Effective Time, the Purchaser shall deliver to the Vendors:
- (i) a certified copy of the resolution of the directors of the Purchaser authorizing this Agreement and the Transaction;
 - (ii) the Original Purchase Price as set forth in Section 5.01(a)(i);
 - (iii) the documents and other deliveries listed in Section 11.01(g); and
 - (iv) such other documents as may be considered necessary or desirable by the Vendors' Counsel, acting reasonably, to complete the Transaction.

ARTICLE 15 DISPUTE RESOLUTION

15.01 Arbitration

Except in connection with the matters set out in Section 5.02 and/or Article 6 herein, in the event that any disagreement between the Parties as to any matter associated with this Agreement cannot be settled, within 60 days of notice of such disagreement having been given to all Parties by any other Party, such disagreement shall be referred to arbitration pursuant to the provisions of the *Arbitration Act* ([Province redacted]), as amended, and in accordance with the following:

- (a) a reference to arbitration shall be to a single arbitrator who shall be selected by agreement of the Parties to the arbitration and failing their agreement shall be selected by agreement between counsel for each of the Parties to the arbitration, and failing their agreement shall be appointed by a court of competent jurisdiction;
- (b) any determination of the single arbitrator shall be final and binding upon each of the Parties and their respective heirs, executors, administrators, successors and assigns, as the case may be, and there shall be no appeal therefrom except as to a matter of law;
- (c) unless the parties to the arbitration agreement state otherwise in writing, the arbitrator shall make its determination in writing within two calendar months after entering on the reference; and
- (d) the costs of the arbitration shall be awarded as determined by the arbitrator.

ARTICLE 16 GENERAL PROVISIONS

16.01 Confidentiality of Information — No Announcements

- (a) Confidentiality. The Vendors and the Purchaser shall maintain the confidentiality of any information received from the other(s) of them in connection with the Transaction and take

appropriate steps to safeguard the information, whether received before or after the date of this Agreement and will use and disclose that information solely for the purposes related to the Transaction or, upon completion of the Transaction, for those purposes for which the information was initially collected. If the Transaction is not consummated, each shall return to the other(s) of them any confidential schedules, documents or other written information obtained from the other(s) in connection with this Agreement within a reasonable time and the Purchaser agrees that, except as otherwise authorized by the Vendors, neither the Purchaser or the Purchaser's Affiliates or their respective representatives, agents or employees will disclose to third parties any confidential information or confidential data relating to the Corporation or the Business discovered by the Purchaser or its representatives as a result of the Vendors and/or the Corporation making available to the Purchaser and its representatives the information requested by them in connection with the Transaction.

- (b) No Announcements. No announcements or other disclosure of this Agreement or its terms or any information provided to any Party by any other Party shall be made by the Vendors, the Corporation or the Purchaser without the approval of all other Parties unless such Party is required to do so by law or by applicable regulations or policies of any regulatory agency of competent jurisdiction or the TSXV, in each case in circumstances where prior consultation with the other Parties is not possible. The form and content of such public announcements shall be subject to the approval of all Parties, not to be unreasonably withheld. Notwithstanding the foregoing, and for greater certainty, the Vendors acknowledge that the Purchaser is a reporting issuer that required to issue a press release and make other filings and public disclosures concerning the Transaction and the Vendors acknowledge and agree that upon the execution of this Agreement, and upon the Closing of the Transaction, the Purchaser will issue a news release in the form and substance as required by applicable securities Laws.
- (c) Notification in respect of the Transaction. The Vendor and the Purchaser shall consult with each other concerning the manner by which either Parties' employees, customers, suppliers and other Persons having dealings with such Party, including Persons that are party to a Services Contracts or Pharmacy Contracts shall be informed of the Transaction.

16.02 Time of Essence

Time shall be of the essence of this Agreement.

16.03 Entire Agreement

With respect to the subject matter of this Agreement, this Agreement constitutes the entire agreement between the Parties and supersedes all prior understandings, negotiations and communications between the Parties or any of them, oral or written. Each of the Purchaser and the Vendors hereby acknowledges that it has not entered into this Agreement in reliance upon any representation, warranty, covenant or agreement other than those contained in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both Parties hereto.

16.04 Exclusivity

Until the earlier of the Closing and such time as this Agreement is terminated in accordance with its terms, none of the Vendors shall, and each shall cause the Corporation to not, directly or indirectly, solicit, encourage or enter into any offer or proposal, or engage in any discussions, negotiations, or contract with

any person, with respect to the sale of any of the Purchased Shares or all or any material portion of the Assets of the Corporation, as the case may be, or any other transaction that is fundamentally inconsistent with this Transaction. In addition, the Vendors agree to cease any and all ongoing activities, access to information, discussions or negotiations with any other person, entity, or group with respect to any transaction that would be inconsistent with or otherwise preclude this Transaction.

16.05 Notices

Any notice of other communication given in connection with this Agreement shall be given in writing and shall be deemed to have been duly given upon the first Business Day following email to the intended recipient at the address set out below:

- (a) To the Purchaser at:

PharmaCorp Rx Inc.
Suite #203, 303 Wellman Lane
Saskatoon, SK S7T 0J1

Attention: Alan Simpson
E-mail: simpsonvideo@sasktel.net

with a copy (which copy does not constitute notice) to Purchaser's Counsel at:

DLA Piper (Canada) LLP
1000, 250 -2nd Street SW
Calgary, AB T2P 0C1

Attention: Derrick Auch
E-mail: derrick.auch@dlapiper.com

- (b) To the Vendors at:

[Vendor's Address and Contact Redacted]

Attention [Name redacted]
E-mail: [E-mail redacted]

with a copy (which copy does not constitute notice) to Vendors' Counsel at:

[Vendor's Counsel and Address Redacted]

Attention: [Name redacted]
Email: [E-mail redacted]

Any Party may change its address for service under this Agreement by giving notice to the other parties in accordance with the provisions herein.

16.06 Tender

The tender of documents and/or funds hereunder may be made upon the Vendors or the Purchaser or their respective counsel.

16.07 Governing Law

This Agreement and the rights, obligations and relations of the Parties shall be governed by and construed in accordance with the Laws of the Province of Saskatchewan but without giving effect to the conflict of laws rules thereof and the federal Laws of Canada applicable therein. The Parties agree that the courts of the Province of Saskatchewan shall have exclusive jurisdiction to entertain any action or other Legal Proceedings based on any provision of this Agreement. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Saskatchewan.

16.08 Further Assurances

The Parties shall do all such things and provide all such reasonable assurances as may be required to consummate the Transaction, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or following the Closing Date.

16.09 No Waiver of Breach; Waiver

No failure of any Party to this Agreement to pursue any remedy resulting from a breach of this Agreement by another Party shall be construed as a waiver of that breach by that or any other Party or as a waiver of any subsequent or other breach unless such waiver is in writing and signed by the relevant Party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

16.10 Counterparts

This Agreement may be executed in counterparts and such counterparts may be delivered by electronic (e-mail) transmission, and if so executed and/or delivered, such counterparts shall each be deemed to be an original and all of such counterparts when taken together shall constitute one and the same document and shall have the same effect as if all Parties had executed the same copy of this Agreement in hard copy.

16.11 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, successors and permitted assigns. The Purchaser shall have the right to assign this Agreement and all obligations and benefits hereunder to an existing corporation or to a corporation to be incorporated and it is expressly acknowledged and agreed that upon completion of such assignment the assignor shall have no liability or obligations whatsoever in respect of this Agreement. Subject to the foregoing, this Agreement may not be assigned by any of the Parties without the prior written consent of the other Parties. Notwithstanding the foregoing, the Vendors hereby consent to: (a) the assignment by way of security by the Purchaser of all of its rights under this Agreement to any third party as may be elected by the Purchaser; and (b) any subsequent assignment to one or more third parties upon exercise of any rights following an enforcement of such security. The Vendors hereby acknowledge and agree that notwithstanding that such third parties are not party to this Agreement they shall have all contractual rights with respect to this Section 16.11 as if they were a contracting signatory hereto and that no amendments will be made to this Section 16.11 recognizing that such third parties are relying on these terms.

16.12 Expenses

Except as otherwise provided for in this Agreement, the Parties shall pay all of their own Transaction Costs, including the fees and expenses of their respective legal counsel and financial advisers.

16.13 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

16.14 Non Business Days

If the Closing Date or if the last date for any term or condition of this Agreement to be performed, or complied with or waived shall fall on a day which is not a Business Day, then the Closing Date or the said last date shall be deemed to be the Business Day next following the scheduled date.

<Signature page follows>

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first above written.

PHARMACORP RX INC.

Per: _____
Name: _____
Title: _____
I have authority to bind the corporation

[Name Redacted]

[Name Redacted]

[Name Redacted]

[SIGNATURE PAGE TO SHARE PURCHASE AGREEMENT]

[SCHEDULES REDACTED]