

## SHARE PURCHASE AGREEMENT

THIS AGREEMENT made this 10<sup>th</sup> day of April, 2020.

**BY AND A M O N G:**

**ALTMED CLINICAL CORP.**, a corporation existing under the laws of the Province of Ontario

(the “**Purchaser**”)

- and -

**ROGER MCINTYRE**, an individual resident in the Province of Ontario

(“**McIntyre**”)

- and -

**KJK MEDICAL CLINIC INC.**, a corporation existing under the laws of the Province of Ontario

(“**KJK**”)

- and -

**KEVIN KRATIUK**, an individual resident in the Province of Ontario

(“**Kratiuk**” and, collectively with McIntyre and KJK, the “**Vendors**”)

- and -

**ALTMED CAPITAL CORP.**, a corporation existing under the laws of the Province of British Columbia

(the “**Guarantor**” and, together with the Purchaser, “**Altmed**”)

**WHEREAS** the authorized share capital of Canadian Rapid Treatment Center of Excellence Inc. (the “**Corporation**”) consists of an unlimited number of common shares and an unlimited number of preference shares;

**AND WHEREAS** McIntyre is the registered and beneficial holder of 70 Common Shares (the “**McIntyre Purchased Shares**”);

**AND WHEREAS** KJK is the registered and beneficial holder of 10 Common Shares (the “**KJK Purchased Shares**”)

**AND WHEREAS** Kratiuk is the registered and beneficial holder of 20 Common Shares (the “**Kratiuk Purchased Shares**”, collectively with the McIntyre Purchased Shares and the KJK Purchased

Shares, the “**Purchased Shares**”);

**AND WHEREAS** subject to the terms and conditions of this Agreement, each of the Vendors have agreed to sell, transfer, assign and deliver to the Purchaser and the Purchaser has agreed to purchase the Purchased Shares from the Vendors;

**AND WHEREAS** concurrently with the execution of this Agreement, the Purchaser has delivered the Deposit (as defined below) to the Vendors, as directed in writing by the Vendors to the Purchaser;

**NOW THEREFORE**, in consideration of the mutual covenants and premises contained in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the Parties (as hereinafter defined) agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

Unless expressly provided otherwise herein, where used in this Agreement or any schedule attached hereto, the following terms shall have the following meanings, respectively:

“**Acquisition Proposal**” has the meaning set out in Section 4.5 hereof;

“**Action**” means any claim, action, demand, lawsuit, arbitration, notice of violation, proceeding, litigation, citation, summons or subpoena of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity;

“**Additional Financing**” has the meaning set out in Section 4.7 hereof;

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise;

“**Applicable Law**” includes any federal, provincial, state, regional, municipal or local law, ordinances, rules, regulations, policies, guidelines, decrees, orders, authorizations, approvals, notices, licences, permits, directives or other requirements of any Governmental Authority having force of law, including the *Regulated Health Professions Act, 1991* (Ontario);

“**Arbitration**” has the meaning set out in Section 8.11(b) hereof;

“**ASPE**” means Accounting Standards for Private Enterprises as issued by the Financial Reporting & Assurance Standards Canada, consistently applied throughout the periods covered thereby, as in effect from time to time;

“**Balance Sheet**” has the meaning set out in Section 3.2(g);

“**Benefit Plans**” has the meaning set out in Section 3.2(o) hereof;

“**Books and Records**” means all books, records (including all data, documents, microfiche, microfilm and computer records on any medium (including magnetic tape, disc storage, card forms and printed copy)), files and papers and all other similar items in any medium whatsoever used in carrying on, or arising from the operation of, the business of the Corporation, including financial, corporate, minute books (including organizational documents), operations (including standard operating procedures) and sales books, books of account, Patient Records, sales and purchase records, business reports, plans and projections, number of patients treated, sales and advertising materials, sales and purchase correspondence, trade association files, lists of present and former customers, suppliers and personnel, employment and other records, plan texts and all other documents, surveys, plans, files, assessments, correspondence and other data and information, including all records, data and information stored electronically, digitally or on computer-related media;

“**Business**” means the business of operating of a private medical clinic that administers intravenous ketamine as an out-patient treatment located at 1100 Dundas St W, Unit #6, Mississauga, Ontario and carried on by the Corporation;

“**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a holiday under the laws of the Province of Ontario;

“**Cash**” means cash and cash equivalents in free use, in hand and/or in bank accounts of the Corporation, net of associated liability accounts, such a bank overdraft;

“**Cash Consideration**” means \$1,500,000;

“**Closing**” means the actual sale, transfer, assignment and delivery of the Purchased Shares by each of the Vendors to the Purchaser pursuant to the terms and conditions of this Agreement;

“**Closing Date**” means the earlier of:

- (a) the second Business Day following satisfaction or, to the extent permissible, waiver of all conditions set out in Article 5; or
- (b) such other date as the Parties may mutually agree in writing;

“**Closing Payment Schedule**” means the closing payout schedule set forth on Schedule 1.1B of the Disclosure Letter;

“**Closing Time**” means on or before 1:00 p.m. (Toronto time) on the Closing Date;

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

“**Consents**” has the meaning set out in Section 3.2(e) hereof;

“**Consulting Agreements**” means, collectively, the employment agreements and consulting agreements dated the date of Closing between the Corporation and each of the Retained Employees/Consultants;

**“Contemplated Transactions”** means all of the transactions contemplated by the Transaction Agreements;

**“Contracts”** means all contracts, agreements, leases, subleases, licenses, supply contracts, purchase orders, sales orders and other instruments, commitments, obligations, arrangements or understandings, whether written or oral;

**“Corporation”** has the meaning ascribed thereto in the recitals;

**“Damages”** has the meaning set out in Section 7.2 hereof;

**“Deposit”** means the refundable, non-interest bearing, deposit in the aggregate amount of \$150,000.00 advanced by the Purchaser to the Vendors, as directed in writing by the Vendors to the Purchaser, concurrently with the execution and delivery of this Agreement which Deposit shall, subject to the terms of this Agreement, be: (a) treated in accordance with Section 6.2(a); or (b) applied on Closing in satisfaction of an equivalent amount of the Purchase Price in accordance with Section 2.3;

**“Direct Claim”** has the meaning set out in Section 7.4(c) hereof;

**“Disclosure Letter”** means the disclosure letter delivered by the Vendors in conjunction with this Agreement and labelled accordingly;

**“Dispute”** has the meaning set out in Section 8.11(b) hereof;

**“Encumbrance”** means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Applicable Law, Contract or otherwise) capable of becoming any of the foregoing;

**“ETA”** means the *Excise Tax Act* (Canada);

**“Financial Statements”** has the meaning set out in Section 3.2(g) hereof;

**“Financing”** means any debt and/or equity financing of \$3,000,000 required by the Purchaser and/or AltMed to effect, among other things, payment in full of the consideration for all Purchased Shares;

**“Governmental Authority”** means any Canadian (including federal, provincial or local) or foreign (including national, supranational, provincial, territorial, regional, state, or local) governmental or regulatory agency, bureau, board, body, agency, commission, commissioner, court, department, minister, tribunal, arbitration body (to the extent having jurisdiction over the relevant matter), authority, organization or instrumentality, including securities exchanges and quasi-governmental entities, including the College of Physicians and Surgeons of Ontario;

**“Governmental Order”** means any decision, ruling, order, charge, writ, judgment, injunction, decree, stipulation, determination, award or binding agreement issued, promulgated or entered by or with any Governmental Authority;

**“Health Information Custodian”** has the meaning ascribed to same in the *Personal Health Information Protection Act, 2004* (Ontario);

**“Indebtedness”** means, without duplication, any liability, contingent or otherwise, related to: (a) indebtedness, including interest and any prepayment penalties thereon, created, issued or incurred by the Corporation for borrowed money (whether by loan or the issuance or sale of debt securities or the sale of property to another person subject to an understanding or agreement to repurchase such property from such person); (b) obligations of the Corporation to pay the future purchase or acquisition price of property or services, other than trade accounts payable arising, and accrued expenses incurred in the ordinary course of business; (c) indebtedness of another person secured by an Encumbrance of the Corporation, whether or not the respective indebtedness so secured has been assumed by the Corporation; (d) payment obligations of the Corporation in respect of letters of credit, bankers’ acceptances or similar instruments issued, or accepted by banks and other financial institutions for account of the Corporation; (e) capital lease obligations of the Corporation; and (f) indebtedness of other persons guaranteed by the Corporation;

**“Independent Accountants”** has the meaning set out in Section 2.5(e) hereof;

**“Intellectual Property”** means any and all of the following rights throughout the world, which rights are owned, licensed, used or otherwise available for use by the Corporation: (a) trademarks, service marks, trade names, corporate names, logos, designs, trade dress, slogans, taglines and Internet domain names, and any registrations, applications for registration and renewals therefor, together with all the goodwill associated with and symbolized by any of the foregoing, (b) copyrights and all other rights in works of authorship, mask works, database rights and moral rights, and any registrations, applications for registration and renewals therefor, (c) proprietary inventions (whether or not patentable or reduced to practice) and patent disclosures, (d) patents, industrial designs (including utility model rights and design rights), applications for patents and industrial designs (including utility model rights and design rights) and all reissues, divisions, continuations, continuations-in-part, revisions, re-examinations and extensions or similar variations thereof, (e) trade secrets and other confidential or proprietary know how, technologies, processes, techniques, protocols, methods, algorithms, compositions, architectures, layouts, designs, drawings, plans, specifications and methodologies, including confidential or proprietary results of product performance and related studies, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals, (f) software (including source code, executable code, systems, tools, data, databases, firmware, and related documentation and excluding “off the shelf” software that is generally commercially available pursuant to “shrink wrap” or “click through” licences), (g) other intellectual property rights, (h) right to collect royalties, products and proceeds in connection with any of the foregoing, and (i) right to sue and bring other claims for past, present and future infringement, misappropriation or other violation of any of the foregoing and all rights to recover damages (including lawyers’ fees and expenses) or lost profits in connection therewith;

**“Intellectual Property Rights”** has the meaning set out in Section 3.2(q)(i) hereof;

**“Lease”** has the meaning set out in Section 3.2(l) hereof;

**“Leased Real Property”** means the real property located at 1100 Dundas St W, Unit #6, Mississauga, Ontario and subject to the Lease;

“**Liabilities**” means any and all debts, liabilities and obligations of any kind, whether accrued or fixed, absolute or contingent, matured or unmatured, determined or undeterminable, on-or off-balance sheet;

“**Licensed IP Rights**” has the meaning set out in Section 3.2(q)(i) hereof;

“**Material Adverse Change**” means, in respect of the Corporation, an effect that is, or would reasonably be expected to be, material and adverse to the Business, affairs, capitalization, properties, assets, Liabilities, condition (financial or otherwise), operations, results of operations or prospects, of the Corporation; provided, however, that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been a Material Adverse Change: (a) any adverse change or development relating to Canadian, the United States or international financial, banking or securities markets or general economic conditions; (b) any adverse change or development impacting Canada, the United States or the world economy in general; (c) changes in Laws; or (d) war, act of terrorism, civil unrest, pandemics (including the COVID-19 pandemic), or similar events; provided, however, that with respect to clauses (a), (b), (d) and (d), such matter does not have a materially disproportionate effect on the Corporation, taken as a whole, relative to other comparable Persons operating in the industry in which the Corporation operates, and unless expressly provided in any particular section of this Agreement, references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Material Adverse Effect has occurred;

“**Material Contract**” means any Contract of the Corporation, other than a Contract (a) made in the ordinary course of business and under which the Corporation has a financial obligation of less than \$10,000.00 per annum; and (b) which can be terminated by the Corporation without the Corporation being required to pay any damages, penalty or other amount by giving not more than three months’ notice, but includes: (i) all Contracts that provide for the indemnification by the Corporation of any Person or the assumption of any Tax, environmental or other Liability of any Person; (ii) all Contracts that limit or purport to limit the ability of the Corporation to compete in any line of business or with any Person or in any geographic area or during any period of time; (iii) any Contracts to which the Corporation is a party that provide for any joint venture, partnership or similar arrangement by the Corporation; (iv) all Contracts between or among the Corporation on the one hand and Vendors or any Affiliate of any Vendors (other than the Corporation) or of the Corporation on the other hand; (v) all Contracts related to the marketing, sale, distribution of or similar such actions of any products by the Corporation; (vi) all Contracts related to the purchase, procurement or acquisition of products or inventory by the Corporation; and (vii) each other Contract that is material to the Corporation and not previously described in any of the foregoing;

“**Owned IP Rights**” has the meaning set out in Section 3.2(q)(i) hereof;

“**Parties**” means, together, the Vendors and the Purchaser and “**Party**” means any of them;

“**Patient Records**” means records containing patient information, including without limitation medical history, care or treatments received, tests taken and test results, diagnoses and medications taken and/or prescribed with respect to such patient;

“**Person**” includes a natural person, a firm, a corporation, partnership, limited partnership, joint

venture, association, trust, government and any other form of incorporated or unincorporated organization or entity of any nature whatsoever;

“**Personal Information**” means information that can directly, or through reasonably available information, identify an individual, including information that is defined as personal information or personal health information under applicable Privacy Laws;

“**Pharmacy**” means KJK Pharmacy Inc.;

“**Pharmacy Agreement**” means the services agreement, in form and substance acceptable to the Parties, each acting reasonably, between the Pharmacy and the Corporation dated the Closing Date;

“**Privacy Laws**” means any and all Applicable Laws governing the collection, use and disclosure of Personal Information, including but not limited to the *Personal Health Information Protection Act, 2004* (Ontario) and *Personal Information Protection and Electronic Documents Act* (Canada) and regulations thereunder;

“**Privacy Policies**” means all policies of the Corporation and each Health Information Custodian operating in the Business, as well as all industry and professional codes, standards and practices to which the Corporation or any Health Information Custodian operating in the Business subscribes voluntarily or is bound, each applying to the collection, use, disclosure, processing, storing and security of Personal Information adopted or used by the Corporation, including any privacy breach notification policies and policies regarding complaints involving Personal Information;

“**Pro-Rata Share**” means (a) 70% with respect to McIntyre; (b) 20% with respect to Kratiuk; and (c) 10% with respect to KJK;

“**Process**” or “**Processing**” means, with respect to data, the use, processing, storage, recording, adaptation, alteration, transfer, disclosure, dissemination or combination of such data;

“**Purchase Price**” has the meaning set out in Section 2.2 hereof;

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

“**Purchaser Group**” has the meaning set out in Section 4.1 hereof;

“**Purchaser Indemnified Persons**” has the meaning set out in Section 7.2 hereof;

“**Restrictive Covenant Agreement**” means the three (3) year non-compete, non-solicitation and non-disparagement agreement dated as of the date of Closing, in form and substance acceptable to the Parties, each acting reasonably, between the Purchaser and each of the Vendors with respect to the Business;

“**Retained Employees/Consultants**” means the employees and consultants listed on Schedule 1.1F of the Disclosure Letter;

“**Share Consideration**” means that number of common shares in the capital of the Purchaser

equal to an aggregate of 25% of the issued and outstanding common shares in the capital of the Purchaser to be issued to the Vendors at the Closing Time in such proportions as set out set in the Closing Payment Schedule;

“**Tax**” or “**Taxes**” means (i) all federal, provincial, state, territorial, county, municipal, local or foreign taxes, duties, fees, premiums, assessments, imposts, levies, tariffs, and other charges of any kind whatsoever imposed, assessed or collected by a governmental authority, together with all interest, penalties, fines additions to tax or additional amounts imposed in respect thereof, including those levied on, or measured by, or referred to as income, gross receipts, profits, capital, transfer, land transfer, business, withholding, royalty, capital gains, sales, goods and services, harmonized sales, use, value-added, excise, stamp, severance, franchising, occupation, property, employer health, ad valorem, payroll, employment, health, social services, education, windfall profits, environmental, pension plan, anti-dumping, countervail, premium, and social security taxes, all surtaxes, all customs duties and import and export taxes, all licence, franchise and registration fees, all employment insurance, health insurance, workers’ compensation and Canada and provincial or state pension plan premiums or contributions, any tax imposed, assessed or collected by, or payable to, a governmental authority pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, fee or premium; (ii) any interest or penalties imposed or accruing in connection with any amount described in (i); and (iii) any Taxes of any other person as a transferee, successor in liability or under contract or otherwise;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder;

“**Tax Return**” means any return (including any information return), report, statement, schedule, notice, form, election, declaration, claim for refund or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any requirement under Applicable Law relating to any Tax;

“**Third Party Claim**” has the meaning set out in Section 7.4(a) hereof;

“**Threshold Amount**” has the meaning set out in Section 7.6;

“**Transaction Agreements**” means, collectively, this Agreement, the USA, the Restrictive Covenant Agreements, the Consulting Agreements, the Written Lease, the Pharmacy Agreement and any other documents signed in relation to the Closing;

“**Transaction Expenses**” means, to the extent not paid prior to the Closing and not included in Indebtedness, the sum of all fees, costs, expenses and disbursements (including any transaction-related bonus or retention payments or similar payments payable to any current or former employee, director, manager or any other Person) of the Corporation, together with the employer portion of any employment, unemployment, payroll and similar Taxes attributable to any such compensatory payment, and any fees or expenses of the Corporation) incurred or otherwise payable by either the Corporation or any of the Vendors (to the extent the Corporation is responsible for payment thereof), in each case, to the extent arising from, incurred in connection with, incidental or that otherwise relate to the negotiation, preparation, execution or



consummation of the sale process, this Agreement and the Contemplated Transactions;

“**Union**” has the meaning set out in Section 3.2(n)(iii) hereof;

“**USA**” means the unanimous shareholders’ agreement of the Corporation, in form and substance satisfactory to the Parties, each acting reasonably, to be entered into by and among the Purchaser, the Vendors, the Corporation and any other shareholders of the Corporation as at the Closing;

“**Vendor Indemnified Persons**” has the meaning set out in Section 7.3 hereof;

“**Warrant Certificate**” means the certificate representing the Warrant Consideration to be issued to the Vendors at the Closing Time in such proportions as set out set in the Closing Payment Schedule;

“**Warrant Consideration**” means the common share purchase warrants, in form and substance satisfactory to the Parties, each acting reasonably, to be to be issued to the Vendors at the Closing Time in such proportions as set out set in the Closing Payment Schedule pursuant to the terms of the Warrant Certificate;

“**Warrant Shares**” means the common shares in the capital of the Purchaser issuable upon exercise of the Warrant Certificate; and

“**Working Capital**” means the difference between (a) the current assets of the Corporation and for greater certainty, shall include Cash; and (b) the current Liabilities of the Corporation; and

“**Written Lease**” means a written lease dated the Closing Date, in form and substances acceptable to the Parties, each acting reasonably, with respect to the property referenced on Schedule 3.2(l)(i) of the Disclosure Letter.

## **1.2 Time of the Essence**

Time shall be of the essence of each provision of this Agreement. Any extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

## **1.3 Calculation of Time**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.

## **1.4 Business Days**

Whenever any action to be taken or payment to be made pursuant to this Agreement would otherwise be required to be taken or made on a day that is not a Business Day, such action shall be taken or such payment shall be made on the first Business Day following such day.

## **1.5 Currency**

Unless otherwise specified, all references to amounts of money in this Agreement refer to lawful money of Canada.

## **1.6 Headings**

The descriptive headings preceding articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such articles or Sections. The division of this Agreement into articles and Sections shall not affect the interpretation of this Agreement.

## **1.7 Plurals and Gender**

Words in the singular include the plural and vice versa and words in one gender include all genders.

## **1.8 Statutory References**

Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder) as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

## **1.9 Paramountcy of Agreement**

If there is any inconsistency between the statements in the body of this Agreement and those in any Schedule (other than an exception expressly set forth as in the particular Schedule with respect to a specially identified representation or warranty), the statements in the body of this Agreement shall govern.

## **1.10 Accounting Terms**

Unless otherwise specified herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with ASPE.

## **ARTICLE 2 PURCHASE AND SALE OF PURCHASED SHARES**

### **2.1 Purchase and Sale of Purchased Shares**

At the Closing Time, subject to the terms and conditions of this Agreement, the Vendors hereby agree to sell, transfer, absolutely assign and deliver to the Purchaser and the Purchaser hereby agrees to purchase, all of the Purchased Shares free and clear of all Encumbrances except restrictions on the transfer of securities arising under Applicable Laws or under the Articles.

### **2.2 Amount of Purchase Price**

Subject to the other terms and conditions herein, the purchase price payable by the Purchaser to the Vendors for the Purchased Shares shall be equal to the sum of the Cash Consideration minus the Deposit, Share Consideration and the Warrant Consideration (together, the “**Purchase Price**”).

### 2.3 Payment of the Purchase Price

Subject to the other terms and conditions herein, the Purchaser shall pay and satisfy on the Closing Date, the Purchase Price to the Vendors as follows:

- (a) the portion of the Cash Consideration minus the Deposit to be paid to such Vendor(s) as set forth in the Closing Payment Schedule by wire transfer of immediately available funds pursuant to the wire instructions for such Vendor(s) set forth in the Closing Payment Schedule;
- (b) the portion of the Share Consideration shall be paid to such Vendor as set forth in the Closing Payment Schedule by delivery of an original share certificate in accordance with the registration instructions for such Vendor set forth in the Closing Payment Schedule; and
- (c) the portion of the Warrant Consideration shall be paid to such Vendor as set forth in the Closing Payment Schedule by delivery of an original share certificate in accordance with the registration instructions for such Vendor set forth in the Closing Payment Schedule.

## ARTICLE 3 REPRESENTATIONS AND WARRANTIES

### 3.1 Representations and Warranties of the Vendors Regarding the Purchased Shares

Each Vendor hereby severally (but not jointly), in accordance with each Vendor's Pro-Rata Share, represent and warrant solely with respect to itself or himself, to the Purchaser (and acknowledge that the Purchaser is relying on the following representations and warranties in completing the Contemplated Transactions) that:

- (a) **Governmental Authority and Non-Conflict.** The Vendors have the requisite power and authority to enter into this Agreement and to perform their respective obligations hereunder. The execution and delivery of this Agreement by the Vendors and the consummation by the Vendors of the Contemplated Transactions have been duly authorized and no other proceedings on the part of the Vendors are necessary to authorize this Agreement and the performance by the Vendors of their obligations hereunder. This Agreement has been duly executed and delivered by the Vendors and constitutes a legal, valid and binding obligation of Vendors, enforceable by the Purchaser against the Vendors in accordance with its terms. The execution and delivery by the Vendors of this Agreement and the performance by the Vendors of their respective obligations hereunder do not:
  - (i) violate, conflict with or result in a breach, of any provision of:
    - (A) the articles or other constating documents of the Corporation;
    - (B) any material Contract to which they or the Corporation are parties or by which they or the Corporation are bound;
    - (C) any Applicable Law or judgment to which it is subject or by which it or

- the Corporation are bound in any material respect; or
- (D) the provisions of any license, permit, approval, authorization, consent, agreement, arrangement or understanding to which each of the Vendors is a party or by each of the Vendors is bound in any material respect;
  - (ii) subject to the receipt of the Consents, give rise to any right of termination, or acceleration of indebtedness, under any material Contract; or
  - (iii) subject to the receipt of the Consents, result in the imposition of any material Encumbrance upon any of its assets.
- (b) **Ownership of Purchased Shares.** Each of the Vendors is the sole registered and beneficial owner of the Purchased Shares set forth beside his name on Schedule 3.1(b) of the Disclosure Letter, with good and marketable title thereto, free and clear of any Encumbrances (other than the rights of the Purchaser hereunder). There is no Contract or other right binding upon or which at any time in the future may become binding upon any of the Vendors or the Purchaser to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Purchased Shares other than pursuant to this Agreement.
- (c) **Right to Sell.** Each of the Vendors has the right to absolutely assign and dispose of the Purchased Shares as provided in this Agreement.
- (d) **Consents and Releases.** Except as disclosed in Schedule 3.2(e) of the Disclosure Letter, no consent or release, approval or authorization of, or declaration, filing (other than administrative filings with Tax authorities, companies' registries and the like) or registration with any Governmental Authority is required to be made or obtained by any of the Vendors prior to, or as a condition of, the consummation of the Contemplated Transactions.
- (e) **Closing Payment Schedule.** The Closing Payment Schedule is accurate and complete and that no Vendor shall have any cause of action against any Purchaser Indemnified Party, the Corporation or any other Person based on any alleged inaccuracy of the information set forth therein.
- (f) **Non-Resident.** Each of the Vendors is not a non-resident of Canada for purposes of the Tax Act.

### 3.2 Representations and Warranties Concerning the Business

The Vendors hereby severally (but not jointly), in accordance with each Vendor's Pro-Rata Share, represent and warrant to the Purchaser (and acknowledge that the Purchaser is relying on the following representations and warranties in completing the Contemplated Transactions) that:

- (a) **Organization.** The Corporation is a corporation incorporated and validly existing under the *Business Corporations Act* (Ontario) and has full power and authority to own its assets and conduct its activities as now owned and conducted. The Corporation is in good standing and is qualified to do business in each jurisdiction in which it operates.

The Corporation does not have any subsidiaries, Affiliates or interest of any kind in any Person.

- (b) **Governmental Authority and Non-Conflict.** The Corporation has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Corporation and the consummation by the Corporation of the Contemplated Transactions have been duly authorized and no other proceedings on the part of the Corporation is necessary to authorize this Agreement and the performance by the Corporation of its obligations hereunder. This Agreement has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable by the Purchaser against the Corporation in accordance with its terms. The execution and delivery by the Corporation of this Agreement and the performance by the Corporation of its obligations hereunder does not:
- (i) violate, conflict with or result in a breach of any provision of:
    - (A) the notice of articles, articles or any other constating document;
    - (B) any Material Contract to which the Corporation is a party or by which it is bound in any material respect;
    - (C) any Applicable Law or judgment to which it is subject or by which it is bound in any material respect; or
    - (D) the provisions of any license, permit, approval, authorization, consent, agreement, arrangement or understanding to which it is a party or by which it is bound in any material respect;
  - (ii) subject to the receipt of the Consents, give rise to any right of termination, or acceleration of indebtedness, under any Material Contract; or
  - (iii) subject to the receipt of the Consents, result in the imposition of any Encumbrance upon any of its assets or the Purchased Shares.
- (c) **Compliance with Laws and Licences.**
- (i) The Corporation has complied with and is in material compliance with all Applicable Laws applicable to the operation of the Business and its operations or activities; has all material licences, permits, orders or approvals of, and has made all required material registrations with, any Governmental Authority that are required in connection with the ownership of its assets or the present conduct of its operations or activities. The Corporation has complied with and is in material compliance with all such licences, permits, orders, approvals, authorizations and registrations. The Corporation has not received any notification from any Governmental Authority (i) asserting a material violation of any Applicable Law or the terms of any judgments, decrees, injunctions or writs applicable to the conduct of its business; (ii) threatening revocation or non-renewal of any such material licences, permits, orders, approvals or registrations, or (iii) restricting or

limiting in any material respect its operations as currently conducted or proposed to be conducted.

- (ii) Without limiting Section 3.2(c), the Corporation is not, and is not required by Applicable Laws, to:
  - (A) hold a certificate of authorization as such term is used by the College of Physicians and Surgeons Ontario; and
  - (B) register or obtain any licences, permits, orders, approvals or registrations from Health Canada.
- (d) **Capitalization.** The authorized equity capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preference shares. All of the issued and outstanding shares in the capital of the Corporation have been duly authorized and validly issued and are fully paid and non-assessable. There are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contractual or otherwise) obligating the Corporation to issue or sell any of its shares or securities or obligations of any kind convertible into or exchangeable for shares or other securities of the Corporation. There are no dividends which have accrued or been declared but are unpaid on any of the Corporation's shares or other equity interests of the Corporation. All of the Purchased Shares were issued in compliance with Applicable Laws.
- (e) **Consents and Approvals.** Schedule 3.2(e) of the Disclosure Letter contains an accurate description of all consents, waivers, approvals or authorizations of, or declarations, filings or notices to Governmental Authorities or other parties to Material Contracts, guarantees, debt obligations or other commitments or obligations to which the Corporation is a party or by which it is bound which are necessary for the consummation of the Contemplated Transactions by the Vendors (collectively, the "**Consents**").
- (f) **Books and Records.** The Books and Records are complete and correct in all material respects and have been maintained in accordance with business practices generally in use with respect to organizations of its size and business activity.
- (g) **Financial Statements.** The balance sheet (the "**Balance Sheet**") and related statement of earnings and retained earnings, and statement of cash flow of the Corporation for the year ended November 30, 2019 (collectively, the "**Financial Statements**"), comply in all material respects with applicable accounting requirements and were prepared in accordance with ASPE and fairly present the financial condition of the Corporation at the dates indicated and the results of operations of the Corporation for the periods covered thereby.
- (h) **Working Capital.** The Corporation's Working Capital is equal to or greater than of \$[0.00].
- (i) **Absence of Undisclosed Liabilities.**
  - (i) The Corporation does not have any outstanding Indebtedness or any Liabilities

of a nature customarily reflected or reserved against in a balance sheet (including the notes thereto) in accordance with ASPE, including any non-arm's length Indebtedness.

- (ii) Since November 30, 2019, there has occurred no event which (individually or with any other events) has resulted in, or which may reasonably be expected to result in, a Material Adverse Change.
- (j) **Absence of Certain Changes or Events.** Since November 30, 2019, (i) the Corporation has conducted its businesses in the ordinary course except as are a direct result of the COVID-19 pandemic and any direct consequences thereof; and (ii) the Corporation has not incurred any material Liabilities or obligations of any nature whatsoever (whether accrued, absolute, contingent or otherwise) of a nature required to be disclosed on a balance sheet or in the related notes to the balance sheet prepared in accordance with ASPE.
- (k) **Material Contracts.** Each Material Contract is valid and binding on the Corporation, and will be valid and binding on the Corporation, as applicable, following the closing of the Contemplated Transactions and, to the knowledge of the Vendors, each other party thereto. Neither the Corporation nor, to the knowledge of the Vendors, any counterparty thereto is in default under any Material Contract.
- (l) **Lease.**
  - (i) The Corporation is not, and has never been, the beneficial or registered owner of, nor has it agreed to acquire, any real property or any interest in any real property. The Corporation is not a party to any lease or agreement in the nature of a lease in respect of any real property, whether as lessor or lessee, other than the lease disclosed in Schedule 3.2(1)(i) of the Disclosure Letter (the "Lease"). The Lease is in good standing, has not been breached (other than a breach that has been cured prior to the date hereof) and is in full force and effect without amendment thereto and neither the Corporation nor, to the knowledge of the Vendors, any other party thereto, is in breach of any covenants, conditions or obligations contained therein.
  - (ii) The Corporation is not a party to any lease or agreement in the nature of a lease in respect of any personal property, whether as lessor or lessee, other than the leases disclosed in Schedule 3.2(1)(ii) of the Disclosure Letter. Each of the leases disclosed in Schedule 3.2(1)(ii) of the Disclosure Letter is in good standing, has not been breached (other than a breach that has been cured prior to the date hereof) and is in full force and effect without amendment thereto and neither the Corporation nor, to the knowledge of the Vendors, any other party thereto, are in breach of any covenants, conditions or obligations contained therein.
- (m) **Ownership and Condition of Assets.**
  - (i) The Corporation has good and marketable title to its properties and assets (real or personal) and the properties and assets it purports to own, and has a valid and

enforceable license, lease, sublicense, sublease or other right to use any other properties and assets (real or personal) that are being used or necessary to conduct the Business in the ordinary course of business, free and clear of all Encumbrances.

- (ii) All material items of machinery, equipment, plant, furniture, leasehold improvements, fixtures, vehicles, structures, any related capitalized items and other tangible assets of the Corporation are in operational condition, normal wear and tear excepted, have been regularly and properly serviced and maintained in a manner that would not void or limit the coverage of any warranty thereon, other than items currently under, or scheduled for, repair or construction, and, to the knowledge of the Vendors, are adequate and fit to be used for the purposes for which they are currently used in the manner they are currently used.

(n) **Employment Agreements.**

- (i) Schedule 3.2(n)(i) of the Disclosure Letter contains a list of all of the employees, consultants, contractors and agents who are currently employed or engaged by the Corporation, and sets out their titles, years of service material terms of their respective employment or other agreements, including salaries, benefits, vacation entitlement, bonus, options and all other material compensation. The Purchaser shall keep all information in Schedule 3.2(n)(i) of the Disclosure Letter strictly confidential and shall comply with all applicable Privacy Laws or other Applicable Laws in respect of that information. As of the date hereof, all compensation, including wages, commissions and bonuses, payable to employees of the Corporation for services performed on or prior to the date hereof have been paid in full (or accrued in full on the Closing Balance Sheet).
- (ii) The Corporation is and has been in compliance with all of the terms of the Contracts listed on Schedule 3.2(n)(ii) of the Disclosure Letter and all Applicable Laws pertaining to employment and employment practices.
- (iii) The Corporation is not, and has not been since inception, a party to, or bound by, nor has it negotiated any collective bargaining agreement or other Contract with a works council or labor organization (collectively, “**Union**”), and there is not, and has not been since inception, any Union representing or purporting to represent any employee of the Corporation, and to the knowledge of the Vendors, no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. There has never been, nor to the knowledge of the Vendors has there been any threat of, any labor disruption or dispute affecting the Corporation or any of its employees.

(o) **Employee Benefits.**

- (i) All material employee benefit, health, welfare, pension, deferred compensation, stock option or purchase, retirement plans or arrangements applicable to present or former employees or directors of the Corporation which are currently maintained or participated in by the Corporation (collectively, the “**Benefit**



**Plans**”) are registered where required by, and have been administered and invested in all material respects in accordance with, all Applicable Laws and other legislative, administrative or judicial promulgations applicable to the Benefit Plans. Other than routine claims for benefits, there are no Actions or, to the knowledge of the Vendors, threatened, relating to the Benefit Plans.

- (ii) All contributions have been made and all premiums have been paid in respect of the Benefit Plans.
  - (iii) Except as disclosed in Schedule 1.1B and Schedule 1.1C of the Disclosure Letter, none of the employees of the Corporation other than the Vendors is entitled or, to the knowledge of the Vendors, expects to receive any amount of the Purchase Price or any cash or other property in connection with the Contemplated Transactions.
- (p) **Litigation, etc.** To the knowledge of the Vendors, there is no Action pending or threatened against or by the Corporation. Except as disclosed in Schedule 3.2(p) of the Disclosure Letter, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any Action. To the knowledge of the Vendors, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Purchased Shares, the Corporation or any of its property or assets or business.
- (q) **Intellectual Property.**
- (i) Schedule 3.2(q)(i) of the Disclosure Letter sets forth all Intellectual Property rights owned (the “**Owned IP Rights**”), licensed or used (the “**Licensed IP Rights**” and together with the Owned IP Rights, the “**Intellectual Property Rights**”) by the Corporation and lists any proceedings or actions before any court, tribunal or regulatory or administrative body relating thereto. The Intellectual Property Rights constitute all of the Intellectual Property and assets related thereto necessary for the Corporation to carry out operations as they are currently conducted. The use of the Intellectual Property Rights by the Corporation in conducting the Business and the conduct of such business by the Corporation does not in any material respect infringe upon or breach any intellectual property rights of any other Person and the Corporation is not aware of any infringement or violation by any other Person of the rights of the Corporation to the Intellectual Property.
  - (ii) Except as set out in Schedule 3.2(q)(i) of the Disclosure Letter, each item of Owned IP Rights is valid and subsisting, and all necessary registration, maintenance and renewal fees in connection with such Owned IP Rights have been paid.
  - (iii) Subject to the terms and conditions of the licenses related thereto, the Corporation has the right to use the Licensed IP Rights, except as set forth on Schedule 3.2(q)(iii) of the Disclosure Letter.
  - (iv) The Corporation owns the Owned IP Rights. The Corporation has not transferred

ownership of, or granted any exclusive license of or right to use, or authorized the retention of any exclusive rights to use or joint ownership of, any Intellectual Property Rights. None of the Intellectual Property Rights has lapsed or entered the public domain. To the knowledge of the Vendors, there are no facts or circumstances that would render any Owned IP Rights invalid or unenforceable.

- (v) Except as set forth in Schedule 3.2(q)(v) of the Disclosure Letter, the Corporation has not licensed or otherwise granted any right to any Person under any Intellectual Property Rights or has otherwise agreed to assert any such Intellectual Property Rights against any Person.
- (vi) The operation of the Business as it currently is conducted does not infringe or misappropriate any intellectual property right of any Person, violate any right of any Person (including any right to privacy or publicity) or constitute unfair competition or trade practices under any Applicable Law,
- (vii) To the knowledge of the Vendors, no Person is infringing, misappropriating or making any unlawful or unauthorized use of any Intellectual Property Rights. No Intellectual Property Rights owned or used by any Person infringes or conflicts with, any Intellectual Property Rights.

(r) **Taxes.**

- (i) The Corporation has filed all Tax Returns that it was required to file under Applicable Law. All such Tax Returns are correct and complete in all material respects and were prepared in compliance with all Applicable Laws. All Taxes due and owing by the Corporation (whether or not shown on any Tax Return) have been paid, including any instalment on account of Tax. There are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of the Corporation.
- (ii) The Corporation has withheld all Taxes required to have been withheld and paid as and when due and payable all such amounts to the applicable Governmental Authority. Except as set forth in Schedule 3.2(r)(ii) of the Disclosure Letter, the Corporation has not withheld any amount that it has not yet paid to an applicable Governmental Authority.
- (iii) The Vendors of the Corporation do not presently expect any authority to assess any additional Taxes for any period for which Tax Returns have been filed and is not aware of any circumstances that may lead to such an assessment. No Tax audits or administrative or judicial Tax proceedings are being conducted with respect to the Corporation. Except as set forth in Schedule 3.2(r)(ii) of the Disclosure Letter, the Corporation has not received from any federal, state, provincial, local, or non-Canadian taxing authority (including jurisdictions where the Corporation has not filed Tax Returns) any (i) written notice indicating an intent to open an audit or other review, (ii) request for information related to Tax matters, or (iii) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against the Corporation.

- (iv) The Corporation has not acquired any property or services (or the right to use property or services) from or disposed of or delivered property or services (or the right to provide property or services) to a person with whom it was not dealing at arm's length, within the meaning of the Tax Act, for consideration the value of which is less than the fair market value of the property or services.
  - (v) The Corporation has complied with all registration, reporting, collection and remittance requirements in respect of all Applicable Laws in respect of sales, excise and value-added taxes.
  - (vi) The Corporation is not registered under subdivision (d) of Division V of Part IX of the ETA.
  - (vii) The Corporation is not subject to liability for Taxes of any other person and is not party to any contract under which it could be obligated to make any payment that may not be deductible by virtue of Section 67 of the Tax Act of any analogous provision of any Applicable Law.
  - (viii) The Corporation has not made an "excessive eligible dividend election" as defined in subsection 89(1) of the Tax Act in respect of any dividend paid, or deemed by any provision of the Tax Act to have been paid, on any class of shares in its capital.
  - (ix) The Corporation has not made a capital dividend election under subsection 83(2) of the Tax Act in an amount which exceeds the amount in the Corporation's capital dividend account at the time of such election.
- (s) **Insurance.**
- (i) The insurance policies maintained by the Corporation are of the type and in the amounts customarily carried by Persons conducting a business similar to the Business and are sufficient for compliance with all Applicable Laws and Contracts to which the Corporation is a party or by which it is bound.
  - (ii) All insurance maintained by the Corporation is in full force and effect and in good standing.
- (t) **Privacy.**
- (i) The Corporation, as the sole Health Information Custodian operating the Business, has been and is now in compliance with all Privacy Laws, regulations, industry and/or professional standards, and Privacy Policies applicable to the Corporation and the Business.
  - (ii) The transfer of Patient Records shall be considered a transfer of custody and control of Patient Records to a successor organization in accordance with section 42(2) of PHIPA. The Parties shall comply with all requirements of Privacy Laws in respect of the transfer of the Patient Records.

- (iii) The Purchaser shall allow McIntyre, for and on behalf of the Vendors, and their respective legal and personal representatives, heirs, executors, administrators or successors access to the Patient Records at any reasonable time for the purpose of the Vendors defending legal proceedings or for purposes where such disclosure by Purchaser and access by McIntyre, for and on behalf of the Vendors, is required by Applicable Laws. The Purchaser agrees to provide copies of the Patient Records as reasonably requested for the purposes set out in this Section 3.2(t)(iii).
- (iv) The Corporation's Privacy Policies conform, and at all times have conformed with Privacy Laws. Neither the execution, delivery and performance of this Agreement nor the taking over by Purchaser of all of the Corporation's data, including Patient Records and other Personal Information relating to the Corporation's customers and patients will cause, constitute, or result in a breach or violation of any Privacy Laws or the Privacy Policies. Copies of all current and prior Privacy Policies have been made available to Purchaser and such copies are true, correct and complete.
- (v) The Corporation has established and maintains commercially reasonable technical, physical and organizational measures and security systems and technologies in compliance with all data security requirements under Privacy Laws and the Privacy Policies. The Corporation has taken commercially reasonable steps to vet the reliability of its employees that have access to Personal Information, to train all employees and its contractors on all applicable aspects of Privacy Laws and the Privacy Policies, and to ensure that all employees are under written obligations of confidentiality with respect to the Personal Information that ensures the employees and contractors abide (including all limitations on the collection, use, access and disclosure of Personal Information) by the Privacy Laws and Privacy Policies.
- (vi) There has been no unauthorized access, use or disclosure of Personal Information in the Business, nor any other breach, security incident or violation of any data security policy in relation to Personal Information has occurred or has been threatened. To the knowledge of the Vendors, no circumstance has arisen in which Privacy Laws would require the Corporation to notify a Governmental Authority or any individuals of a data security breach or security incident.
- (vii) The Vendors are not aware of any complaint made or any audit, investigation, claim or proceeding including court proceeding against the any of the Corporation, the Vendors or the Business by the Information and Privacy Commissioner of Ontario, the Office of the Privacy Commissioner of Canada or any other governmental entity in any jurisdiction with responsibility for the promulgation or enforcement of Privacy Laws, or by any person in respect of the collection, retention, use, disclosure, safeguarding or distribution of Personal Information in connection with the Corporation or the Business, nor are the Vendors aware of any facts which may give rise to any such complaint or audit, proceeding, investigation or claim.

- (u) **Restrictions on Business Activities.** There is no Contract, judgment, injunction, order or decree binding upon the Corporation that has the effect of materially prohibiting, restricting or impairing any business practice of the Corporation, any acquisition of property or the conduct of the Business.
- (v) **Bank Accounts.** Schedule 3.2(v) of the Disclosure Letter sets forth all of the Corporation's bank accounts, and the Corporation's safe deposit boxes and vaults, and the names of all persons authorized to draw thereon or make withdrawals therefrom. All such accounts, safe deposit boxes and vaults are maintained by the Corporation for use in the ordinary course of business.
- (w) **Powers of Attorney; Guarantees.** The Corporation has: (i) no obligation to act under any outstanding power of attorney or any obligation or Liability, as guarantor, surety, co-signor, endorser (other than for purposes of collection in the ordinary course of business of the Corporation), co-maker or indemnitor in respect of the obligation of any Person or (ii) not given any power of attorney except in the ordinary course of business.
- (x) **No Broker.** No Person, including, without limitation, any agent, broker, investment banker, financial advisor, previous potential purchaser of any part of the Business or other firm, is entitled to any fee, including, without limitation, any brokerage, finder's, financial advisors, break fee, trailing purchase fee or other similar amount, fee or commission, for which the Corporation could become liable in connection with the Contemplated Transactions.

### 3.3 Representations and Warranties of Altmed

Altmed hereby jointly and severally represents and warrants to each of the Vendors (and acknowledges that each of the Vendors is relying on the following representations and warranties in completing the Contemplated Transactions) that:

- (a) **Organization.** The Purchaser is a corporation incorporated and validly existing under the *Business Corporations Act* (Ontario) and has full power and authority to own its assets and conduct its activities as now owned and conducted. The Guarantor is a corporation incorporated and validly existing under the *Business Corporations Act* (British Columbia) and has full power and authority to own its assets and conduct its activities as now owned and conducted. Altmed is in good standing and are qualified to do business in each jurisdiction in which the character of their properties, owned or leased, or the nature of their activities makes such qualification necessary.
- (b) **Share Consideration and Warrant Consideration.**
  - (i) Altmed has taken all necessary action to authorize the issuance of the Share Consideration, and such shares will, at the time of issuance, be validly issued and fully paid and non-assessable shares in the capital of the Purchaser. The Share Consideration is equal to an aggregate of 25% of the issued and outstanding common shares in the capital of the Purchaser.
  - (ii) Altmed has taken all necessary action to authorize the issuance of the Warrant Consideration, and the Warrant Shares underlying such Warrant Consideration

will, at the time of exercise of the securities issued pursuant to the Warrant Consideration, be validly issued and fully paid and non-assessable shares in the capital of the Purchaser.

- (iii) The Share Consideration, Warrant Consideration and Warrant Shares, as the case may be, will be allotted and issued fully paid, free from all claims, Encumbrances and equities whatsoever and with all rights attached thereto.
- (c) **Governmental Authority and Non-Conflict.** Altmed has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Altmed and the consummation by the Purchaser of the Contemplated Transactions have been duly authorized by the boards of directors of Altmed and no other proceedings on the part of Altmed are necessary to authorize this Agreement and the performance by Altmed of their respective obligations hereunder. This Agreement has been duly executed and delivered by Altmed and constitutes a legal, valid and binding obligation of Altmed, enforceable against Altmed in accordance with its terms. The execution and delivery by Altmed of this Agreement and the performance by Altmed of their respective obligations hereunder do not violate, conflict with or result in a breach, in any material respect of any provision of:
  - (i) their articles or other constating documents; or
  - (ii) any Applicable Law or judgment to which it is subject or by which it is bound.
- (d) **Consents and Approvals.** No material consents, waivers or approvals from other Parties to Contracts, guarantees, debt obligations or other commitments or obligations to which Altmed is a party or by which it or they are bound, is required by Altmed in connection with the execution and delivery of this Agreement by Altmed or the consummation of the Contemplated Transactions.
- (e) **Compliance with Laws and Licences.** The Purchaser is in material compliance with all Applicable Laws applicable to the operation of the Business and its operations or activities; has all material licences, permits, orders or approvals of, and has made all required material registrations with, any Governmental Authority that are required in connection with the ownership of the assets of the Business or the present conduct of its operations or activities. The Purchaser has complied with and is in material compliance with all such licences, permits, orders, approvals, authorizations and registrations. The Purchaser has not received any notification from any Governmental Authority (i) asserting a material violation of any Applicable Law or the terms of any judgments, decrees, injunctions or writs applicable to the conduct of its business; (ii) threatening revocation or non-renewal of any such material licences, permits, orders, approvals or registrations, or (iii) restricting or limiting in any material respect its operations as currently conducted or proposed to be conducted. The execution and delivery by the Purchaser of this Agreement and the performance by the Corporation of its obligations hereunder does not violate, conflict with or result in a breach of any provision of the provisions of any license, permit, approval, authorization, consent, agreement, arrangement or understanding to which it is a party or by which it is bound in any material respect.

For greater certainty, this Section 3.3 shall be binding on the Guarantor as if the Guarantor were included in the definition of “Party” under this Agreement.

## **ARTICLE 4 COVENANTS**

### **4.1 Access and Investigation**

Between the date of this Agreement and the Closing Time, and upon reasonable advance notice received from Purchaser, the Vendors shall cause the Corporation to: (a) afford Purchaser and its representatives (collectively, “**Purchaser Group**”) full and free access, during regular business hours, to the personnel, properties (including subsurface testing), Contracts, authorizations of any Governmental Authorities, Books and Records and other documents and data, such rights of access to be exercised in a manner that does not unreasonably interfere with the operations of the Corporation; (b) furnish Purchaser Group with copies of all such Contracts, authorizations of any Governmental Authorities, Books and Records and other existing documents and data as Purchaser may reasonably request; (c) furnish Purchaser Group with such additional financial, operating and other relevant data and information as Purchaser may reasonably request; (d) promptly deliver the documents and other information required by the Initial Due Diligence Request List, and to promptly deliver any other due diligence or other related information reasonably requested by the Purchaser promptly upon the written request for such materials by the Purchaser; and (e) otherwise cooperate and assist, to the extent reasonably requested by Purchaser, with Purchaser’s investigation of the properties, assets and financial condition of the Corporation.

### **4.2 Operation of the Business**

Between the date of this Agreement and the Closing and except as expressly contemplated by this Agreement, the Corporation shall (and the Vendors shall cause the Corporation to), as reasonably required in order to satisfy or aid in the satisfaction of the conditions in Article 5 or as otherwise directed by Purchaser in writing, and without making any commitment on Purchaser’s behalf: (a) conduct the Business only in the ordinary course of business subject to conduct required in direct response to the COVID-19 pandemic and any direct consequences thereof; (b) use commercially reasonable efforts to preserve intact the Business, keep available the services of its officers, employees and agents and maintain its relations and goodwill with suppliers, customers, landlords, creditors, employees, agents and others having business relationships with the Corporation; (c) confer with Purchaser prior to implementing operational decisions of a material nature; (d) otherwise report periodically to Purchaser concerning the status of the Business, operations and finances of the Corporation; (e) not make any change in or amendment to their articles of incorporation or their by-laws; (f) not issue or sell, or authorize to issue or sell, any shares in the capital of the Corporation or any other ownership interests, or issue or sell, or authorize to issue or sell, any securities convertible into, exercisable into or exchangeable for, or options, warrants or rights to purchase or subscribe for, or enter into any arrangement or Contract with respect to the issuance or sale of, any shares in the capital of the Corporation or any other ownership interests; (g) not split, combine, redeem or reclassify, purchase or otherwise acquire any shares in the capital of the Corporation or other securities; (h) not process any payments out of the ordinary course of business; (j) seek Purchaser approval on any payments to any supplier, Vendor, processor or consultant that will, in the aggregate, be over \$5,000.00, between the date of this Agreement and the Closing; or (i) not authorize any of, or commit or agree to take any of, the foregoing actions.

### **4.3 Required Approvals**

- (a) As promptly as practicable after the date of this Agreement, the Vendors shall cause the Corporation to make all filings required to be made in order to consummate the Contemplated Transactions on or before the Closing Date. Each of the Vendors shall, and shall cause the Corporation to, cooperate with Purchaser and its representatives with respect to all filings that Purchaser elects to make or shall be required to make in connection with the Contemplated Transactions.
- (b) The Vendors shall cooperate with the Purchaser and the Corporation in obtaining all Consents.

#### **4.4 Notification**

- (a) Between the date of this Agreement and the Closing, the Vendors shall, and shall cause the Corporation to, promptly notify Purchaser in writing if any of them becomes aware of (i) any fact or condition that causes or constitutes a breach of any of the representations and warranties in Section 3.1 or Section 3.2 made as of the date of this Agreement; and (ii) the occurrence after the date of this Agreement of any fact or condition that would or be reasonably likely to (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or the Vendors' discovery of, such fact or condition. During the same period, the Vendors shall, and shall cause the Corporation to, promptly notify Purchaser of the occurrence of any breach of any covenant of the Vendors in this Article 4 or of the occurrence of any event that may make the satisfaction of the conditions in Section 5.2 impossible or unlikely.
- (b) The Purchaser's receipt of information pursuant to Section 4.4(a) shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Vendors and shall not be deemed to amend or supplement the schedules hereto.



#### 4.5 No Solicitation of Other Bids

- (a) None of the Vendors shall and shall not authorize or permit any of their Affiliates (including the Corporation) or any of its or their representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. The Vendors shall immediately cease and cause to be terminated, and shall cause their respective Affiliates (including the Corporation) and all of its and their representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, “**Acquisition Proposal**” shall mean any inquiry, proposal or offer from any Person (other than the Purchaser or any of its Affiliates) concerning (i) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving the Corporation; (ii) the issuance or acquisition of shares or other equity securities of the Corporation; or (iii) the sale, lease, exchange or other disposition of any significant portion of the Corporation’s properties or assets out of the ordinary course of its business.
- (b) In addition to the other obligations under this Section 4.5, the Vendors shall promptly (and in any event within one Business Day after receipt thereof by the Vendors or their representatives) advise the Purchaser orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.
- (c) The Vendors agree that the rights and remedies for noncompliance with this Section 4.5 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Purchaser and that money damages would not provide an adequate remedy to the Purchaser.

#### 4.6 Confidentiality

Except as may be required by Applicable Law and as reasonably required in order to satisfy or aid in the satisfaction of the conditions in Article 5 and only to the extent reasonably necessary, the terms of this Agreement shall be kept strictly confidential by the Parties. Each Party covenants and agrees that it shall not, without the prior written consent of the other, announce or disclose the existence of any transaction contemplated by this Agreement or any terms and conditions of same.

**4.7 Additional Financing.** After the Closing Date the Purchaser and/or AltMed shall use reasonable efforts to cause the Corporation to obtain additional debt and/or equity financing of not less than \$7,000,000 (the “**Additional Financing**”) within ninety (90) days of the Closing Date.

**4.8 Uses of Financing Proceeds.** The Purchaser and/or the Corporation (including any successor Person) will use the proceeds of the Financing and the Additional Financing to fund:

- (a) the purchase of the Purchased Shares;
- (b) the Corporation's capital expenses after Closing;
- (c) expansions of the Business into additional markets in Canada and the United states including by way of acquisitions of additional medical clinics and/or opening of new medical clinics;
- (d) increasing the research and development capacity of the Corporation;
- (e) general expansion of the Corporation; and
- (f) other general corporate purposes of the Corporation.

**4.9 Closing Conditions.** Each Party shall, and the Vendors shall, and shall cause the Corporation to, use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article 5.

For greater certainty, this Article 4 shall be binding on the Guarantor as if the Guarantor were included in the definition of "Party" under this Agreement.

## **ARTICLE 5 CONDITIONS TO CLOSING**

### **5.1 Conditions to Closing in Favour of the Vendors**

The Vendors' obligation to sell, assign and absolutely assign the Purchased Shares to the Purchaser and to take the other actions required to be taken by the Vendors at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Vendors, in whole or in part):

- (a) each of the representations and warranties in Section 3.3 that is not qualified by materiality shall have been true and correct in all material respects as of the date of this Agreement and shall be true and correct in all material respects as of the Closing Time as if then made (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date) and each of the representations and warranties in Section 3.3 that is qualified by materiality shall have been true and correct in all respects as of the date of this Agreement and shall be true and correct in all respects as of the Closing Time as if then made (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date), and Altmed shall deliver a certificate of an officer of each of the Purchaser and the Guarantor to this effect;
- (b) all of the covenants and obligations that Altmed is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been performed and complied with in all material respects, and Altmed shall deliver a certificate of an officer of each of the Purchaser and the Guarantor to this effect;
- (c) since the date of this Agreement, there shall not have been issued any injunction, order,

decree or ruling that prohibits or limits any of the Contemplated Transactions and there shall not be any Action pending or, to the best knowledge of the Altmed, threatened that (i) draws into question the validity, legality or enforceability of this Agreement or the consummation of the Contemplated Transactions; or (ii) might result, in the judgment of the Vendors in the imposition of a penalty if the Purchased Shares were delivered as contemplated hereunder;

- (d) since the date of this Agreement, there shall not have been commenced or threatened against Altmed, or against any Affiliate of Altmed, any Action (i) involving any challenge to, or seeking Damages or other relief in connection with, any of the Contemplated Transactions or (ii) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions on or otherwise interfering with any of the Contemplated Transactions;
- (e) the Purchaser shall have completed the Financing on terms and conditions satisfactory to the Purchaser;
- (f) at the Closing, the Altmed shall deliver to:
  - (i) the Vendors:
    - (A) Certificates of Status (or the equivalent) for Altmed as of the most recent practicable date prior to the Closing Time;
    - (B) mutual releases among the Corporation, the Purchaser and the Vendors (as former shareholders) in a customary form, effective as of Closing;
    - (C) the bring-down certificates set out in Section 5.1(a) and 5.1(b);
    - (D) certificates of an officer of each of Altmed, in his capacity as an officer of Altmed and without personal liability, certifying as to:
      - (1) the notice of articles of Altmed;
      - (2) the articles of Altmed;
      - (3) resolutions of the board of directors of Altmed approving the Transaction Agreements and the Contemplated Transactions; and
      - (4) the incumbency certificates of Altmed's officers who are authorized to execute, deliver and perform this Agreement and any other agreements, instruments, certificate or other documents required to be executed by it in connection herewith;
    - (E) signed counterparts of each of the Transaction Agreements; and
    - (F) the Purchase Price as contemplated by Section 2.3; and
  - (ii) the Vendors and such other Person as required in connection with the

Contemplated Transactions, such other documentation as may reasonably be required.

The foregoing conditions are inserted for the exclusive benefit of the Vendors and may be waived, in whole or in part, by the Vendors and will be deemed to have been so waived if the purchase of the Purchased Shares from the Vendors is completed.

## **5.2 Conditions of Closing in Favour of the Purchaser**

The Purchaser's obligation to purchase all of the Purchased Shares and to take the other actions required to be taken by Altmed at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Purchaser, in whole or in part):

- (a) each of the representations and warranties in Section 3.1 and Section 3.2 that is not qualified by materiality shall have been true and correct in all material respects as of the date of this Agreement and shall be true and correct in all material respects as of the Closing Time as if then made (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date) and each of the representations and warranties in Section 3.1 and Section 3.2 that is qualified by materiality shall have been true and correct in all respects as of the date of this Agreement and shall be true and correct in all respects as of the Closing Time as if then made (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date), and the Vendors shall deliver a certificate of an officer of the Corporation to this effect;
- (b) all of the covenants and obligations that the Vendors are required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been performed and complied with in all material respects, and the Vendors shall deliver a certificate of an officer of the Corporation to this effect;
- (c) since the date of this Agreement, there shall not have been issued any injunction, order, decree or ruling that prohibits or limits any of the Contemplated Transactions and there shall not be any Action pending or, to the knowledge of the Vendors, threatened that (i) draws into question the validity, legality or enforceability of this Agreement or the consummation of the Contemplated Transactions; or (ii) might result, in the judgment of the Corporation, (I) in the imposition of a penalty if the Purchased Shares were delivered as contemplated hereunder or (II) in any Material Adverse Change;
- (d) since the date of this Agreement, there shall not have been commenced or threatened against the Vendors or the Corporation, or against any Affiliate of the Vendors or the Corporation, any Action (i) involving any challenge to, or seeking Damages or other relief in connection with, any of the Contemplated Transactions or (ii) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions on or otherwise interfering with any of the Contemplated Transactions;
- (e) the Purchaser shall have received confirmation of the continuance of the Corporation's insurance policies, in form and substance satisfactory to the Purchaser, acting reasonably;

- (f) the Purchaser shall have completed the Financing on terms and conditions satisfactory to the Purchaser;
- (g) at the Closing, the Vendors shall deliver, or cause the Corporation to deliver, as the case may be, to:
  - (i) the Purchaser:
    - (A) a Certificate of Status (or the equivalent) for the Corporation as of the most recent practicable date prior to the Closing Time;
    - (B) the bring-down certificates set out in Sections 5.2(a) and 5.2(b);
    - (C) a certificate of an officer of the Corporation, in his capacity as an officer of the Corporation and without personal liability, certifying as to:
      - (1) the notice of articles of the Corporation;
      - (2) the articles of the Corporation;
      - (3) resolutions of the board of directors of the Corporation approving the Transaction Agreements and the Contemplated Transactions; and
      - (4) the incumbency certificates of the Corporation's officers who are authorized to execute, deliver and perform this Agreement and any other agreements, instruments, certificate or other documents required to be executed by it in connection herewith;
    - (D) signed counterparts of each of the Transaction Agreements;
    - (E) mutual releases among the Corporation, the Purchaser and the Vendors (as former shareholders) in a customary form, effective as of Closing;
    - (F) save and except for McIntyre, each of the directors and officers of the Corporation shall have tendered their resignation and release from all applicable positions with the Corporation (solely in their respective capacities as directors and officers of the Corporation but not in any capacity as an employee, if currently an employee of the Corporation) in a customary form, effective as of Closing;
    - (G) each of the Consents, as well as any other consents that may be determined to be required for the operation of the Business, each of which shall be in full force and effect;
    - (H) share certificates evidencing the Purchased Shares, free and clear of all Encumbrances except restrictions on the transfer of securities arising under Applicable Laws or under the Articles, duly endorsed in blank or accompanied by share transfers or other instruments of transfer duly executed in blank; and

- (I) all Books and Records; and
- (ii) the Purchaser and such other Person as required in connection with the Contemplated Transactions, such other documentation as may reasonably be required.

The foregoing conditions are inserted for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser and will be deemed to have been so waived if the purchase of the Purchased Shares from the Vendors is completed or the applicable date referenced in such condition has been waived in writing on or before the applicable date.

## **ARTICLE 6 TERMINATION**

### **6.1 Termination Events**

By notice given prior to or at the Closing, subject to Section 6.2, this Agreement may be terminated as follows:

- (a) by Purchaser if:
  - (i) a material breach of any provision of this Agreement has been committed by the Vendors and such breach has not been waived in writing by Purchaser;
  - (ii) if any of the conditions set forth in Section 5.2 is not satisfied or waived by such date or has become incapable of fulfillment, unless such satisfaction has been frustrated or made impossible by any act or failure to act by the Purchaser;
  - (iii) there is a Material Adverse Change; or
  - (iv) if the Closing has not been completed on or before April 30, 2020, except where Closing has been frustrated or made impossible by any act or failure to act by the Purchaser;
- (b) by the Vendors if:
  - (i) a material breach of any provision of this Agreement has been committed by Altmed and such breach has not been waived in writing by the Vendors;
  - (ii) if any of the conditions set forth in Section 5.1 is not satisfied or waived by such date or has become incapable of fulfillment, unless such satisfaction has been frustrated or made impossible by any act or failure to act by the Vendors or the Vendors; or
  - (iii) if the Closing has not been completed on or before April 30, 2020, except where Closing has been frustrated or made impossible by any act or failure to act by the Vendors or the Vendors; and
- (c) by mutual written consent of Purchaser and the Vendors.

## **6.2 Effect of Termination**

- (a) If this Agreement is terminated pursuant to:
  - (i) Section 6.1(a) (other than as a result of the failure to satisfy the Financing condition in Section 5.1(e)), 6.1(b)(iii) or Section 6.1(c), all obligations of the Parties under this Agreement will terminate, except that the Vendors shall return the Deposit to the Purchaser;
  - (ii) Section 6.1(a)(ii) (as it relates solely to a failure to satisfy the Financing condition in Section 5.1(e)), 6.1(b)(i) or 6.1(b)(ii), all obligations of the Parties under this Agreement will terminate and the Vendors shall be entitled to retain the Deposit,

and in each case the obligations of the Parties in this Section 6.2, Section 4.6 and Section 8.2 will survive, provided, however, that, if this Agreement is terminated because of a breach of this Agreement by the non-terminating Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

- (b) Each Party's right of termination under Section 6.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of such right of termination will not be an election of remedies. Nothing in this Section 6.2 limits or affects any other rights or causes of action any Party may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement. If a Party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfillment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

## **ARTICLE 7 INDEMNIFICATION; REMEDIES**

### **7.1 Survival**

- (a) Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is 18 months from the Closing; provided, however, that:
  - (i) the Purchaser shall be entitled to bring a claim:
    - (A) for a breach of a representation and warranty for any of the following at any time following the Closing:
      - (1) a breach of a representation and warranty contained in Sections 3.1, 3.2(a), 3.2(b), 3.2(c), 3.2(d), 3.2(e), 3.2(m), 3.2(t) and 3.2(x); and

- (2) any claim with respect to a fraudulent, wilful or intentional misrepresentation of the Vendors;
  - (B) for a breach of a representation and warranty contained in Section 3.2(r) which a claim may be made at any time from the Closing until the date that is sixty (60) days after the expiration of the applicable statute of limitations in respect of which such representations and warranties may relate; and
- (ii) the Vendors shall be entitled to bring a claim at any time following the Closing:
  - (A) for a breach of a representation and warranty contained in Section 3.3; and
  - (B) any claim with respect to fraudulent, wilful or intentional misrepresentation of the Purchaser.
- (b) All covenants and agreements of the Parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein.
- (c) Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

## 7.2 Indemnification and Reimbursement by the Vendors

The Vendors will severally (but not jointly), in accordance with each Vendor's Pro-Rata Share, indemnify and hold harmless the Purchaser, and its directors, officers, employees, consultants, representatives, agents, shareholders, subsidiaries and Affiliates (collectively, the "**Purchaser Indemnified Persons**"), and will reimburse the Purchaser Indemnified Persons for any loss, liability, claim, damage, expense (including costs of investigation and defence and reasonable lawyers' fees and expenses) or diminution of value, whether or not involving a Third-Party Claim (collectively, "**Damages**"), arising from or in connection with:

- (a) the breach of any representation or warranty of the Vendors in this Agreement or in any other certificate, document, writing or instrument delivered by the Vendors pursuant to this Agreement;
- (b) any breach of any covenant or obligation of the Vendors in this Agreement or in any other certificate, document, writing or instrument delivered by the Vendors pursuant to this Agreement;
- (c) any Indebtedness of the Corporation that is not repaid as of the Closing;
- (d) any Transaction Expenses outstanding as of the Closing; and
- (e) any Liability for Taxes of the Corporation for any taxable period ending on or before the Closing Time, or for any tax period beginning before and ending after the Closing Time,



for the portion of such period ending on or before the Closing Time.

### 7.3 Indemnification and Reimbursement by Purchaser

Altmed will jointly and severally indemnify and hold harmless the Vendors and their respective representatives, agents, shareholders and Affiliates (collectively, the “**Vendor Indemnified Persons**”), and will reimburse the Vendor Indemnified Persons (including, if transactions hereunder do not close, the Corporation), and will reimburse the Vendor Indemnified Persons, for any Damages arising from or in connection with:

- (a) any breach of any representation or warranty made by Altmed in this Agreement or in any certificate, document, writing or instrument delivered by Altmed pursuant to this Agreement; and
- (b) any breach of any covenant or obligation of Altmed in this Agreement or in any other certificate, document, writing or instrument delivered by Altmed pursuant to this Agreement.

7.4 **Indemnification Procedures.** The Party making a claim under this Article 7 is referred to as the “**Indemnified Party**”, and the party against whom such claims are asserted under this Article 7 is referred to as the “**Indemnifying Party**”. For greater certainty, this Article 7 shall be binding on the Guarantor as if the Guarantor were included in the definition of “Party” under this Agreement.

- (a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a representative of the foregoing (a “**Third Party Claim**”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than the earlier of: (i) 30 calendar days after receipt of such notice of such Third Party Claim; and (ii) five (5) Business Days preceding the date that may specified in such notice upon which the Indemnified Party must provide a response to the claimant in respect of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Damages that have been or may be sustained by the Indemnified Party. The Indemnifying Party, including if the Indemnifying Party is one or more of the Vendors, shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel, and the Indemnified Party shall cooperate in good faith in such defense; provided, that if the Indemnifying Party is one or more of the Vendors, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim that: (x) is asserted directly by or on behalf of a Person that is a supplier or customer of the Corporation, or (y) seeks an injunction or other equitable relief against the Indemnified Party. In the event that the

Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 7.4(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, provided, that if in the reasonable opinion of counsel to the Indemnified Party: (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to Section 7.4(b) and the other terms of this Agreement, pay, compromise, defend such Third Party Claim and seek indemnification for any and all Damages based upon, arising from or relating to such Third Party Claim. The Vendors and the Purchaser shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

- (b) **Settlement of Third Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 7.4(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 7.4(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, delayed or conditioned).
- (c) **Direct Claims.** Any Action by an Indemnified Party on account of any Damages which does not result from a Third Party Claim (a “**Direct Claim**”) shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice

thereof, but in any event not later than 30 calendar days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Damages that have been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 calendar days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Corporation's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

## 7.5 Payments

- (a) Once any Damage is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article 7, the Indemnifying Party shall satisfy its obligations within 10 Business Days of such agreement or such final, non-appealable adjudication by wire transfer or other form of immediately available funds. The Parties agree that should an Indemnifying Party not make full payment of any such obligations within such 10 Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to and including the date such payment has been made at a rate equal to 5% per annum. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed, compounded annually on the anniversary of the expiration of such 10 Business Day period.
- (b) If the amount of Damages incurred by an Indemnified Party at any time subsequent to the making of any payment pursuant to this Article 7 is reduced by any recovery, settlement or otherwise under any insurance coverage or under any claim, recovery, settlement or payment by or against any other Person, the Indemnified Party shall promptly repay to the Indemnifying Party the amount of the reduction (less any costs, expenses (including Taxes) or premiums incurred in connection therewith).

## 7.6 Limitations on Indemnities

- (a) The Purchaser Indemnified Persons shall not be entitled to make any claim for indemnification against the Vendors pursuant to this Article 7 unless and until the aggregate amount of the Damages incurred by the Purchaser Indemnified Persons exceeds \$45,000.00 (the "**Basket Amount**") and then will be liable to the Purchaser

Indemnified Persons for the total amount of such Damages, including the Basket Amount, up to an amount equal to \$500,000.00 (the “Cap”).

- (b) Neither the Threshold Amount nor the Cap will apply to claims arising under Section 7.1(a)(i)(A)(1) or Section 7.1(a)(i)(A)(2).

#### **7.7 Set-Off**

The Purchaser shall have the right, but not the obligation, to set off and deduct from any amounts payable by the Purchaser to the Vendors under this Agreement, including without limitation amounts under any of the Transaction Agreements, the amount of any Damages for which the Purchaser is entitled to be indemnified by the Vendors under this Article 7.

#### **7.8 Benefit of Indemnity**

To the extent that any Indemnified Party is not a party to this Agreement, the Purchaser or Vendors, as the case may be, shall obtain and hold the right and benefit of the indemnity provisions of Article 7 in trust for and on behalf of such Indemnified Party.

#### **7.9 Effect of Investigation**

The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party’s right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its representatives) or by reason of the fact that the Indemnified Party or any of its representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party’s waiver of any condition set forth in Section 5.1 or Section 5.2, as the case may be.

#### **7.10 Exclusive Remedies**

Except as provided in this Section 7.10 and as otherwise provided in this Agreement, if the Closing occurs, the indemnities provided in Article 7 will constitute the only remedy of the Purchaser or the Vendors, respectively, against a Party in respect of a breach of any representation, warranty, covenant or agreement of that Party under this Agreement; provided, however, that if after Closing a Party makes a claim for indemnification in accordance with Article 7 and the other Party refuses to make payment for Damages or otherwise provide satisfaction in respect of that claim, then the Party making the claim for indemnification may bring a legal proceeding to seek a remedy for that refusal.

### **ARTICLE 8 GENERAL**

#### **8.1 Closing**

The closing of the transactions contemplated in this Agreement and the Contemplated Transactions shall take place at the Closing Time at the offices of Aird & Berlis LLP or at such other place or time as may be agreed to in writing by the Parties.

#### **8.2 Expenses**

All fees and expenses incurred in connection with the Contemplated Transactions shall be paid

by the party incurring such fees or expenses, except the Purchaser will pay \$25,000 of the Vendors' fees and expenses for professional services, disbursements and taxes, but excluding any fees and expenses incurred in connection with the Financing, regardless of whether the Contemplated Transactions are completed. All amounts in excess of such \$25,000 amount shall be deemed to be Transaction Expenses.

### **8.3 Further Assurances**

The Parties shall do all such things and provide all such reasonable assurances as may be required to consummate the Contemplated Transactions, including, without limitation, that the Vendors shall cause the Corporation to take all actions required to consummate the Contemplated Transactions, 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 after Closing.

### **8.4 Assignment and Enurement**

Neither this Agreement nor any benefits or duties accruing under this Agreement shall be assignable by any Party without the prior written consent of the other. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

### **8.5 Entire Agreement**

This Agreement, the Transaction Agreements and any document delivered pursuant to this Agreement or the Transaction Agreements, constitutes the entire agreement between the Parties with respect to the matters herein and supersedes all prior agreements, understandings, negotiations and discussions relating to the subject matter hereof. There are no other covenants, agreements, representations, warranties, conditions, whether direct or collateral, express or implied, that form part of or affect this Agreement except as otherwise provided in this Agreement. The execution of this Agreement has not been induced by, nor do any of the Parties rely upon or regard as material, any representations, promises, agreements or statements not incorporated into this Agreement. This Agreement shall not be amended, added to or qualified except by written agreement signed by all of the Parties.

### **8.6 Waiver**

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing and signed by the Party or Parties providing such waiver. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all other terms, covenants and conditions in this Agreement.

### **8.7 Notices**

All notices, requests, demands or other communications required or permitted to be given by one Party to another under this Agreement shall be given in writing and delivered by personal delivery or delivery by recognized commercial courier, sent by facsimile or email, or delivered by registered mail, postage prepaid, addressed as follows:

For the Purchaser:

Brookfield Place, 181 Bay Street, Suite 1800  
Toronto, Canada M5J 2T9

Attention: Chris Hobbs  
Email: [chobbs@pinepointadvisors.com](mailto:chobbs@pinepointadvisors.com)

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

Aird & Berlis LLP  
Brookfield Place  
181 Bay St., Suite 1800  
Toronto, ON M5J 2T9

Attention: Jeffrey Merk  
Fax No.: (416) 863-1515  
Email Address: [jmerk@airdberlis.com](mailto:jmerk@airdberlis.com)

For McIntyre:

73 Mathersfield Drive  
Toronto, Ontario  
M4W3W4

Email Address: [Roger.McIntyre@uhn.ca](mailto:Roger.McIntyre@uhn.ca)

For the Kratiuk:

1100 Dundas St W, Unit #6,  
Mississauga, Ontario  
L5C 4E7

Attention: Kevin Kratiuk  
Email Address: [erindalemedical@gmail.com](mailto:erindalemedical@gmail.com)

For the KJK:

1100 Dundas St W, Unit #4,  
Mississauga, Ontario  
L5C 4E7

Attention: Kevin Kratiuk  
Email Address: [erindalemedical@gmail.com](mailto:erindalemedical@gmail.com)

For any of the Vendors, with a copy to (which copy shall not constitute notice hereunder):

Miller Thomson LLP  
Scotia Plaza

40 King St. West, Suite 5800  
Toronto, ON M5H 3S1

Attention: Jason R. Sernoskie  
Fax No.: (416) 595-8695  
Email Address: [jsernoskie@millerthomson.com](mailto:jsernoskie@millerthomson.com)

or at such other address, email or fax number of which the addressee may from time to time may notify in writing. Any notice delivered by personal delivery or by courier to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a Business Day, or if the notice is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the next Business Day. Any notice sent by prepaid registered mail shall be deemed to have been given and received on the second Business Day following the date of its mailing. Any notice transmitted by facsimile or email shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a Business Day or if the facsimile transmission or email is received after 4:00 p.m. (addressee's local time), then the notice shall be deemed to have been given and received on the first Business Day after its transmission.

## **8.8 Severability**

If any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable: (a) the remainder of this Agreement or the application of such provision or portion thereof to any other Person or circumstance shall not be affected thereby; and (b) the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth herein.

## **8.9 Execution by Facsimile or Electronic Format**

The signature of any of the Parties hereto may be evidenced by a facsimile or portable document format (.pdf) copy of this Agreement bearing such signature.

## **8.10 Counterparts**

This Agreement may be signed in one or more counterparts, each of which, once signed, shall be deemed to be an original and all such counterparts, taken together shall constitute one and the same instrument. Notwithstanding the date of execution of any counterpart, each counterpart shall be deemed to bear the effective date set forth above.

## **8.11 Governing Law and Jurisdiction for Disputes**

- (a) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (other than its conflict of law principles to the extent that the application of the Laws of another jurisdiction would be required thereby) and shall be treated in all respects as an Ontario contract. Each of the Party irrevocably consents to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with any matter or dispute based upon or arising out of this Agreement or the matters contemplated herein.

- (b) If any dispute or question (the “**Dispute**”) shall arise, during the term of this Agreement or at any time thereafter, between one or more of the Vendors and the Purchaser concerning the interpretation of this Agreement or any part thereof, such Parties shall attempt in good faith to resolve such Dispute. If such Parties have not agreed to a settlement of the Dispute within 30 days from the date on which the Dispute first became known to both such Parties, then such Parties agree that the Dispute shall be submitted to final, binding and non-appealable arbitration pursuant to the *Arbitrations Act, 1991* (Ontario) (the “**Arbitration**”).
- (c) All of the fees, costs and expenses of the parties to the Arbitration shall be borne exclusively by the party against whom judgement under the Arbitration is awarded.

### **8.12 Independent Legal Advice**

Prior to the execution of this Agreement, each Vendor has read and understands the terms of this Agreement and has had the opportunity to seek, and has either obtained or waived his, her or its right to obtain, independent legal advice with respect to the matters addressed in this Agreement. Such Vendor fully understands and accepts the terms of this Agreement, and confirms that he, she or it is executing this Agreement freely, voluntarily and without duress.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**



**IN WITNESS WHEREOF**, the Parties have hereunto duly executed this Agreement on the date first above written.

**ALTMED CLINICAL CORP.**

Per:  \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Authorized Signing Officer

**ALTMED CAPITAL CORP.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Authorized Signing Officer

Witness: \_\_\_\_\_ } \_\_\_\_\_  
**ROGER MCINTYRE**

Witness: \_\_\_\_\_ } \_\_\_\_\_  
**KEVIN KRATIUK**

**KJK MEDICAL CLINIC INC.**


Per: \_\_\_\_\_  
Name: Kevin Kratiuk  
Title: President  
Authorized Signing Officer

**IN WITNESS WHEREOF**, the Parties have hereunto duly executed this Agreement on the date first above written.

**ALTMED CLINICAL CORP.**

Per: \_\_\_\_\_  
Name:  
Title:  
Authorized Signing Officer

**ALTMED CAPITAL CORP.**

Per:  \_\_\_\_\_  
Name: Chris Hobbs  
Title: CFO  
Authorized Signing Officer

\_\_\_\_\_  
Witness: } \_\_\_\_\_  
**ROGER MCINTYRE**

\_\_\_\_\_  
Witness: } \_\_\_\_\_  
**KEVIN KRATIUK**

**KJK MEDICAL CLINIC INC.**

Per: \_\_\_\_\_  
Name: Kevin Kratiuk  
Title: President  
Authorized Signing Officer

**IN WITNESS WHEREOF**, the Parties have hereunto duly executed this Agreement on the date first above written.


**ALTMED CLINICAL CORP.**

Per: \_\_\_\_\_  
Name:  
Title:  
Authorized Signing Officer

**ALTMED CAPITAL CORP.**

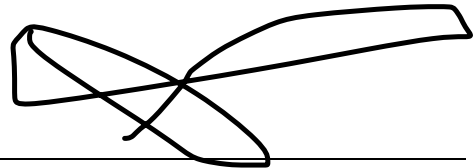
Per: \_\_\_\_\_  
Name:  
Title:  
Authorized Signing Officer

Witness: \_\_\_\_\_



\_\_\_\_\_  
**ROGER MCINTYRE**

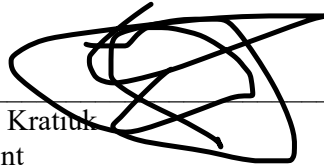
Witness: \_\_\_\_\_



\_\_\_\_\_  
**KEVIN KRATIUK**

**KJK MEDICAL CLINIC INC.**

Per: \_\_\_\_\_  
Name: Kevin Kratiuk  
Title: President  
Authorized Signing Officer



## SCHEDULE 1.1B – Closing Payment

### Deposit

Vendor	Amount	Payment Instructions
Roger McIntyre	\$105,000	Miller Thomson LLP, in Trust, pursuant to the wire instructions attached hereto
Kevin Kratiuk	\$30,000	Miller Thomson LLP, in Trust
KJK Medical Clinic Inc.	\$15,000	Miller Thomson LLP, in Trust

### Cash Consideration

Vendor	Amount	Payment Instructions
Roger McIntyre	\$1,050,000	Miller Thomson LLP, in Trust
Kevin Kratiuk	\$300,000	Miller Thomson LLP, in Trust
KJK Medical Clinic Inc.	\$150,000	Miller Thomson LLP, in Trust

### Share Consideration

Vendor	Number of Shares	Registration Instructions
Roger McIntyre	17.5% of the issued and outstanding shares of the Purchaser at Closing	Roger McIntyre
Kevin Kratiuk	5% of the issued and outstanding shares of the Purchaser at Closing	KJK Capital Corp.
KJK Medical Clinic Inc.	2.5% of the issued and outstanding shares of the Purchaser at Closing	KJK Capital Corp.

### Warrant Consideration

Vendor	Number of Warrants	Registration Instructions
Roger McIntyre	Exercisable for 3.5% of the issued and outstanding shares of the Purchaser at Closing	Roger McIntyre
Kevin Kratiuk	Exercisable for 1% of the issued and outstanding shares of the Purchaser at Closing	KJK Capital Corp.
KJK Medical Clinic Inc.	Exercisable for 0.5% of the issued and outstanding shares of the Purchaser at Closing	KJK Capital Corp.