Tuckamore Capital Management Inc.

TUCKAMORE
CAPITAL

ANNUAL INFORMATION FORM
(for the year ended December 31, 2014)

March 27, 2015

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Forward-looking information

This annual information form (the "**AIF**") contains certain forward-looking information. Certain information included in this AIF may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of the Company or the Operating Partnerships (as defined herein) and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of the Company and the Operating Partnerships. Without limitation, information regarding the future operating results and economic performance of the Company and the Operating Partnerships constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of the Company and the Operating Partnerships. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, commodity prices, dependence on key personnel, limited customer bases, interest rates, regulatory change, ability to meet working capital requirements and capital expenditure needs of the Operating Partners, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors", which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting the Company and the Operating Partnerships will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of the Company and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this AIF, and the Company does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Readers are cautioned that this information may not be appropriate for any other purpose.

Market Data and Forecasts

Market data and certain forecasts used throughout this AIF were obtained from internal surveys, market research, publicly available information and independent industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and the completeness of such information is not guaranteed and neither the Company nor any other person makes any representation as to the accuracy of such representation. Similarly, internal surveys, forecasts, market research and publicly available information, while believed to be reliable, have not been independently verified from third party sources and neither the Company nor any other person makes any representation as to the accuracy of such information.

Reporting Currency

In this AIF, unless otherwise stated, dollar amounts are reported in Canadian dollars.

1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

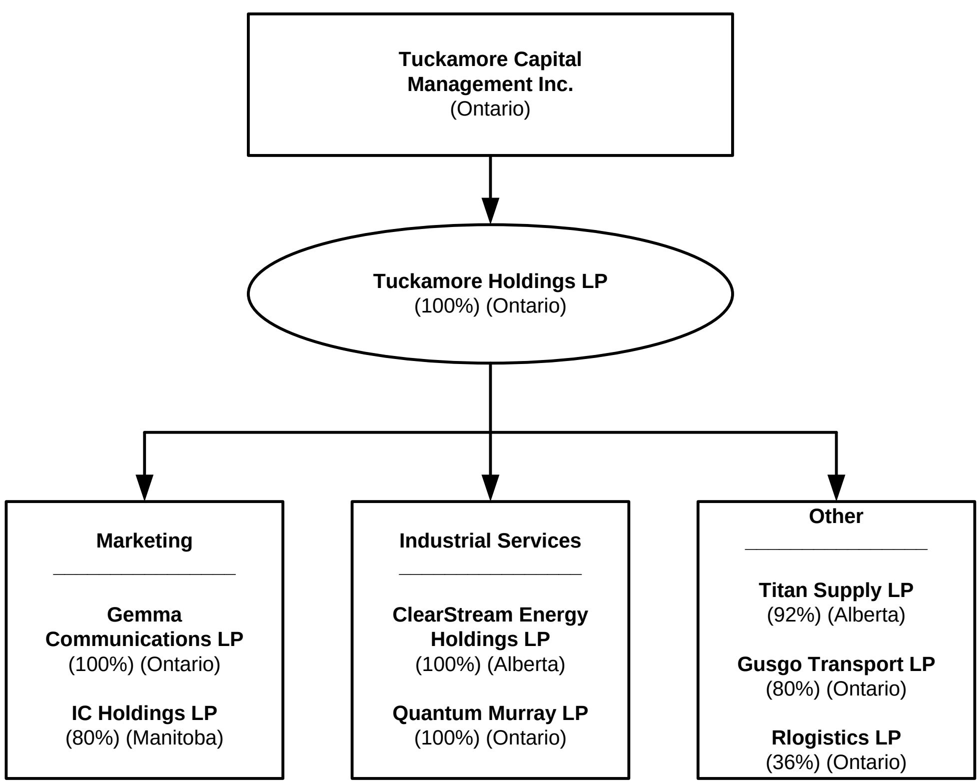
Tuckamore Capital Management Inc. (the "**Company**" or "**Tuckamore**") was previously an unincorporated open-ended trust operating under the name of Newport Partners Income Fund (the "**Fund**"), established and existing under the laws of the Province of Ontario pursuant to a declaration of trust dated May 13, 2005, as amended and restated on each of June 22, 2005 and August 8, 2005, and as further amended by an amending agreement dated March 21, 2007. At a special meeting of unitholders of the Fund (the "**Unitholders**") held on March 25, 2011, a special resolution was passed approving the conversion of the Fund to a corporation pursuant to a plan of arrangement (the "**Conversion Arrangement**") under the *Business Corporations Act* (Ontario).

The Conversion Arrangement resulted in the reorganization of the Fund's income trust structure into a corporation named "Newport Inc.". Effective April 1, 2011, Unitholders automatically received one common share of Newport Inc. (each a "**Share**") in exchange for each unit of the Fund. On June 30, 2011, pursuant to a special resolution of the shareholders of the Company, the name of the corporation was changed from "Newport Inc." to "Tuckamore Capital Management Inc.". The head and registered office of the Company is located at the Exchange Tower, 130 King Street West, Suite 2950, Toronto, Ontario M5X 1B1.

References to the Fund throughout this AIF refer to the Company prior to the completion of the Conversion Arrangement.

1.2 Intercorporate Relationships

The Company beneficially owns all of the outstanding units of Tuckamore Holdings LP and all of the outstanding shares of Tuckamore GP Inc., the sole trustee of Tuckamore GP Trust, the general partner of Tuckamore Holdings LP. Tuckamore Holdings LP holds interests ranging from 100% to 36% in the Operating Partnerships (as defined below). The corporate structure of the Company and its material subsidiaries as of the date of this AIF is as follows:



2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Business Overview

As of December 31, 2014, the Company had ownership interests in seven operating partnerships (each an "**Operating Partnership**") operating in three reportable segments: marketing, industrial services, and other. The Company formed these partnerships by acquiring an ownership interest in the entrepreneur's business with the entrepreneur typically retaining an equity interest. The following table identifies the seven Operating Partnerships, the business of each Operating Partnership, the Company's ownership interest and the date of the Company's initial investment.

Operating Partner	Description of Business	Ownership Interest	Date of Initial Investment
Marketing			
Gemma	Integrated direct marketing company	100%	March 2005
IC Group	Provider of on-line promotional and loyalty programs and select insurance products	80%	July 2006
Industrial Services			
ClearStream	Provider of oil and gas maintenance, construction and wear technology services to both the conventional oil and gas industry and the Canadian oilsands	100%	October 2004
Quantum Murray	National provider of demolition, remediation and scrap metal services	100%	March 2006
Other			
Titan	Manufacturer and distributor of rigging products and services, and ground engaging tools to the oil and gas, and construction sectors	92%	September 2006
Gusgo	Transportation and storage services provider	80%	October 2006
Rlogistics	Re-seller of closeout, discount and refurbished consumer electronic and household goods in Ontario	36%	May 2006

Management continues to look to create value through the improvement of the operations of the Company's assets and, in some cases, for opportunities by realizing value through the sale of certain of its assets. The Company has, over the last several years, sold its interest in certain operating partnerships. It is possible that there will be further sales of investments in 2015 and in future years.

Revenues from the marketing segment were $24,533,000 for the year ended December 31, 2014 and $30,461,000 for the year ended December 31, 2013. Revenues from the industrial services segment were $688,984,000 for the year ended December 31, 2014 and $637,199,000 for the year ended December 31, 2013. Revenues from the other segment were $45,736,000 for the year ended December 31, 2014 and $50,571,000 for the year ended December 31, 2013.

The operations of the Operating Partnerships are discussed in further detail beginning on page 7 of this AIF along with the risks associated with these businesses beginning on page 18 of this AIF.

2.2 Recent Developments

During the second quarter of 2014, the Company announced that it had entered into an arrangement agreement (the "**Arrangement Agreement**") pursuant to which certain members of Tuckamore's senior management, along with the support of certain funds managed by Birch Hill Equity Partners, had agreed to indirectly acquire all of the issued and outstanding Shares (excluding those already owned by the members of senior management involved) for cash consideration at a price of $0.75 per Share (the "**Arrangement**"). On July 11, 2014, the Company announced that it had adjourned the special meeting of shareholders called to consider the Arrangement to allow the Company additional time to consult with shareholders. On July 25, 2014, the Company announced that the Arrangement Agreement had been terminated and that the special meeting of shareholders had been cancelled.

On August 1, 2014, the Company announced that it had closed a transaction with Orange Capital Master I, Ltd. ("**Orange Capital**") to sell approximately $13 million in Shares to Orange Capital at a price of $0.80 per Share, resulting in the issuance of 16,666,667 Shares (the "**Private Placement**") pursuant to a subscription agreement between the Company and Orange Capital dated August 1, 2014 (the "**Subscription Agreement**"). In connection with the Private Placement, Orange Capital is subject to an 18-month standstill provision that limits it to owning no more than 19.9% of the outstanding Shares and provides Orange Capital with the right to nominate one director and one observer to the board of directors of the Company (the "**Board**"), subject to Orange Capital maintaining certain shareholder thresholds in the Company. Orange Capital has agreed to assist the Company in connection with the identification and implementation of a transaction or series of transactions to amend or extend the terms of, or to refinance, the Secured Debentures (as defined below), upon successful completion of which, Orange Capital may receive a cash success fee on terms commensurate with customary market practice in similar circumstances (provided that such fee will not exceed 3.0% of the then outstanding principal of the Secured Debentures). The Company used the net proceeds from the Private Placement to reduce outstanding indebtedness under its Third Amended and Restated Credit Agreement (as defined below). In conjunction with the Private Placement and repayment of debt from net proceeds, the Company obtained approval from the BMO Lenders (as defined below) to extend the maturity date of the Third Amended and Restated Credit Agreement from March 9, 2015 to December 31, 2015 pursuant to the Third Amending Agreement (as defined below).

In addition, options were exercised by directors and management of the Company resulting in the issue of 13,150,000 Shares and the proceeds were used to reduce indebtedness under the Third Amended and Restated Credit Agreement.

During July and early August of 2014, Access Holdings Management Company LLC ("**Access**") made repeated submissions to the Toronto Stock Exchange (the "**TSX**") and the Ontario Securities Commission (the "**OSC**") to consider a temporary cease trade order in respect of the Private Placement. On August 11, 2014, the Company announced that it had reached an agreement with Access and First Series of Halcyon Trading Fund LLC (collectively, the "**Consortium**") whereby Access agreed to withdraw all proceedings. As part of the agreement, the Consortium agreed to certain restrictions on participating in dissident proxy solicitation or take-over bids until May 31, 2016 and to limit its acquisitions of Shares until September 30, 2015. Tuckamore agreed to reimburse certain legal and professional expenses incurred by the Consortium.

As part of the Company's ongoing governance review, the Board terminated the Company's previous shareholder rights plan agreement dated July 25, 2014 and entered into a shareholder rights plan agreement with CST Trust Company, effective August 20, 2014 (the "**Rights Plan**"). The objective of the Rights Plan is to ensure, to the extent possible, that all shareholders of the Company are treated equally and fairly in connection with any initiative to acquire control of the Company. The Rights Plan was confirmed, ratified and approved by shareholders at the annual general meeting held on September 16, 2014.

2.3 Credit Facility and Debt Securities

2.3.1 Third Amended and Restated Credit Agreement

On March 9, 2012, the Company completed an assignment (the "**Assignment**") to Bank of Montreal ("**BMO**") of Newport Finance Corp.'s (a subsidiary of the Company now known as Tuckamore Finance Corp.) (the "**Borrower**") senior secured credit facility (the "**Senior Credit Facility**") from Marret Asset Management Inc., on behalf of various funds under its management. In connection with the Assignment, the Borrower entered into the third amended and restated senior credit agreement by and among, among others, the Borrower, BMO and the other banks and financial institutions from time to time party thereto, as lenders (the "**BMO Lenders**") and BMO, in its capacity as administrative agent (the "**Agent**") for the BMO Lenders (the "**Credit Agreement**").

The financial covenants of the Credit Agreement were amended pursuant to a first amending agreement dated December 21, 2012 by and among the Borrower, the BMO Lenders and the Agent (the "**First Amending Agreement**"). The amended covenants included the interest coverage ratio, priority senior debt ratio and the minimum Earnings Before Interest, Taxes, Depreciation & Amortization ("**EBITDA**") amount. The amended covenants were in effect for three quarters commencing the quarter ending September 30, 2012. Following the quarter ended June 30, 2013, the covenants reverted back to the covenants in effect prior to the First Amending Agreement. As part of First Amending Agreement, the interest rate on the Credit Agreement was adjusted to prime plus 1.625%.

The financial covenants of the Credit Agreement were further amended pursuant to a second amending agreement dated September 25, 2013 by and among the Borrower, the BMO Lenders and the Agent (the "**Second Amending Agreement**"). The amended covenants included the interest coverage ratio, priority senior debt ratio and the minimum EBITDA amount, and were in effect from September 30, 2013 through to December 2014. As part of the Second Amending Agreement, the interest rate on the Credit Agreement was adjusted to prime plus 1.75%. The interest rate may be reduced when certain leverage ratios are achieved.

Pursuant to a third amending agreement dated August 1, 2014 by and among the Borrower, the BMO Lenders and the Agent (the "**Third Amending Agreement**" and together with the Credit Agreement, the First Amending Agreement and the Second Amending Agreement and as the same has been or may be further amended, modified, supplemented, replaced or restated from time to time, the "**Third Amended and Restated Credit Agreement**"), the Borrower obtained approval from the BMO Lenders to extend the maturity date under the Credit Agreement from March 9, 2015 to December 31, 2015.

Advances outstanding under the Third Amended and Restated Credit Agreement as at December 31, 2014 totaled $67,669,000 with $60,000,000 of this amount as a revolving facility and the balance as a term facility. The full amount of the revolving facility was drawn as at December 31, 2014.

Tuckamore is obligated to repay a portion of the Third Amended and Restated Credit Agreement prior to the maturity date based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on the excess operating cash flows as defined.

2.3.2 Secured Debentures and Unsecured Debentures

Secured Debentures

The Company issued secured debentures (the "**Secured Debentures**") in the aggregate principal amount of $176,228,000 pursuant to a secured trust indenture dated as of March 23, 2011 (as amended by a first supplemental indenture dated March 31, 2011 and a second supplemental indenture dated June 29, 2011) between the Fund (as predecessor to Tuckamore), as issuer and BNY Trust Company of Canada, as debenture trustee (as the same has been or may be further amended, modified, supplemented, replaced or restated from time to time, the "**Secured Trust Indenture**"). The Secured Debentures trade on the TSX under the symbol "TX.DB.B".

The maturity date of the Secured Debentures is March 23, 2016 (the "**Secured Debenture Maturity Date**"). The interest rate is 8.0% per annum, payable semi-annually in arrears on June 30 and December 31 in each year until the Secured Debenture Maturity Date. The Company has the option to repurchase any or all Secured Debentures outstanding at any time on or before the business day before the Secured Debenture Maturity Date. The Company is also obligated, in certain cases, to redeem in whole or in part the Secured Debentures in advance of the Secured Debenture Maturity Date. The Secured Debentures are secured by substantially the same security as and, subject to limited exceptions, ranks subordinate only to the BMO Lenders under the Third Amended and Restated Credit Agreement.

Unsecured Debentures

On March 24, 2014, the Company announced that it had repaid its 3.624% unsecured debentures due in 2014 (the "**Unsecured Debentures**") which were issued pursuant to a trust indenture dated March

23, 2011 between the Fund (as predecessor to Tuckamore), as issuer and Computershare Trust Company of Canada, as debenture trustee (as the same was amended, supplemented or otherwise modified from time to time, the "**Unsecured Trust Indenture**"). In accordance with the terms of the Unsecured Debentures and the Unsecured Trust Indenture, the Company satisfied the total principal amount owing under the Unsecured Debentures in the amount of $26,552,000 through the issuance of a total of 8,493,143 Shares.

2.4 Significant Acquisitions

No significant acquisitions were made in the financial year ended December 31, 2014.

2.5 Significant Dispositions

On June 29, 2012 the sale of Armstrong Partnership LP closed for cash proceeds of $3,186,000 which was used to repay senior indebtedness. No dispositions were made in the financial year ended December 31, 2014.

2.6 Strategy

The Company's business and investment strategy is based on:

- Focus on the strategic growth of its investments
- Providing operational support to facilitate the growth and performance of the portfolio investments
- Reducing debt levels through asset sale proceeds and excess cash flow

3. Description of the Business

The Company has ownership interests in seven Operating Partnerships. These partnerships operate in three reportable segments: (1) marketing; (2) industrial services; and (3) other. The following is a description of the business of each Operating Partnership organized by business segment. Unless otherwise noted, the information below is as of the date hereof.

3.1 Description of Operating Partnerships by Business Segment

A. Marketing

(i) Gemma Communications LP ("Gemma")

Business Overview

Since its inception in 1999, Gemma has become one of Canada's foremost customer service centric and sales oriented outsourced call centre service provider. Gemma's core strength lies within its three pillars: revenue optimization, customer experience (quality, first call resolution, etc.) and compliance. Gemma has successfully brought enhanced revenue generating call centre applications and capacity to a multitude of clients. Gemma enhances existing sales results as well as re-engineers traditional customer care cost centres and turns them into profit centres.

The primary business of Gemma is providing call centre services, both inbound and outbound with a focus on sales and revenue generation on behalf of its clients. As a leading provider of sales focused call centre services in Canada, Gemma works with blue-chip financial institutions, telecom companies and the entertainment industry who require consistent superior sales performance balanced with the highest level of transparency, accountability, and a rigorous quality focused approach. A component of Gemma's business is inbound contracts whereby Gemma fields incoming sales calls from the customers of Gemma's clients. Gemma offers service in both English and French and provide offshore call centre services in the Philippines as a lower cost alternative.

Gemma has approximately 400 associates (also referred to as agents) in offices in Toronto (300 agents) and Montreal (100 agents).

Gemma has been in the Company's portfolio since March 2005.

Products and Services

Gemma provides revenue generating call centre services to its clients. These services include inbound and outbound contacts to both the consumer and business to business markets.

Outbound Revenue Generation — Approximately 40% of Gemma's business is outbound revenue generation for its clients. Gemma operates revenue-generating customer campaigns primarily for its clients in the financial services and telecommunications industries.

Inbound Customer Care —Customer care with revenue generation continues to represent a significant portion of business for Gemma. Approximately 60% of Gemma's business is inbound customer care with a revenue generation focus.

Customers

Gemma primarily serves eight established customers, all of which provide it with regular repeat business. Gemma's largest customer represents approximately 46% of Gemma's revenue, while revenue from its four other primary customers are relatively balanced. Gemma charges its clients an hourly rate for providing its services.

Industry Overview and Trends

The Canadian contact centre industry is a multi-billion dollar industry that includes in-house and outsourced services providers. A contact centre (or call centre) refers to reservations centres, help desks, information lines or customer service centres, regardless of how they are organized or the types of transactions they handle. In its most sophisticated form, the term refers to a voice operations environment that provides a full range of high-volume, inbound or outbound call-handling services, including customer support, operator services, directory assistance, multilingual customer support, credit services, card services, inbound and outbound telemarketing, interactive voice response and web-based services.

The single biggest trend impacting the contact centre industry today is the trend to outsourcing. Several key factors underlie this trend including technological advancements that allow for encrypted data exchange and direct connectivity between the service provider and the outsourcer as well as decreasing telecommunications costs because of widespread deregulation of voice over Internet protocol (VoIP). In management's view, perhaps the most significant impetus is the overall sophistication of contact centre service providers who, like Gemma, have enhanced their operations so that they are now able to provide a virtually seamless and transparent alternative to in-house operations with robust compliance services.

Another trend impacting the industry is the ability of large companies to take advantage of ready access to skilled labour at lower costs, both offshore and near shore. Nevertheless, this trend has recently been tempered through bottom-line results analysis (i.e., actual customer retention and satisfaction results), and a growing trend towards quality first, cost savings second, and the outsourcer's desire to be in relatively close proximity to its service providers. Gemma's management believes that Canada still offers U.S. based outsourcer's advantages in locating their contact service centres in Canada as opposed to the United States.

Competition

Gemma's competitors include large U.S. based outsource service providers that have set up operations in Canada and abroad. During recent years, many contact centre outsource providers have been establishing a presence offshore in countries such as India, the Philippines and in the Caribbean to take advantage of lower labour costs which has created an environment with increasing pricing pressure from clients. Within Canada there are a handful of domestic service providers that offer essentially the same services as Gemma. Furthermore, in-house contact centres continue to represent an alternative to outsourcing, particularly where core-business applications such as customer care are concerned. Program scale and sophistication and more stringent adherence to regulations and conduct standards that govern contact centre activities have reduced competition from smaller operators.

(ii) IC Group LP ("IC Group")

<u>Business Overview</u>

Established in 1989, IC Group has operating companies based in Canada and the United States. IC Group develops, markets, and manages programs in the promotional marketing industry. IC Group's primary products and services are: interactive and loyalty promotions, promotion services, promotion CRM solutions and prize insurance.

IC Group is headquartered in Winnipeg and has approximately 75 employees. IC Group has been in the Company's portfolio since July 2006.

<u>Products and Services</u>

<u>Interactive Promotions:</u> IC Group creates dynamic online promotion experiences that are designed to drive sales and consumer acquisition and retention. Its suite of interactive promotion products falls within the categorization of games, contests, sweepstakes, and loyalty promotions. Core products include but are not limited to: sweepstakes, instant-wins, games of chance, collect-and-wins, loyalty promotions, user-generated content contests and integrated mobile contests.

<u>Promotion Services:</u> IC Group's services team can deliver full turn-key or a la carte services needed to execute and deliver promotions to market. Core services include: promotion strategy and design, promotion risk management consulting, interactive and technical services, creative design, sweepstakes/contest services and prize fulfillment.

<u>Promotion CRM:</u> IC Group's ever-evolving technology solutions are made up of a series of products and services that enable its customers to improve how they manage consumer information, measure their programs and grow their consumer-brand relationships. IC Group meets a growing demand for better customer relationship management by providing its customers with solutions such as consumer profile management, consumer insights, reporting and analytics.

<u>Promotion Insurance:</u> IC Group is a market leader in promotional insurance. Its insurance products fall within the niche categorization called contingency insurance. Core products include: event cancellation and non-appearance insurance, contractual bonus insurance, prize insurance for contests and over-redemption insurance for coupons and rebates.

<u>Customers</u>

IC Group's customers are leading consumer brands, promotion agencies and insurance brokers.

<u>Industry Trends</u>

As more consumers spend more time online, businesses continue to shift budgets and grow their interactive marketing teams. Forrester Research forecasts that U.S. interactive marketing spending will reach $76.6 billion by 2016. In 2015, the major trends to watch out for in the interactive space include data collection transparency, a continued shift of spending towards mobile, measurable effect of marketing spend and the continued monetization of social media.

Marketers must evolve as the spotlight continues to highlight consumer concerns about privacy and data transparency. In an environment that was previously open to the wide use of various web tracking tools, companies must now discover their own methods of understanding who their consumer is online. Users are now very aware of how their information is used and continue to adjust their privacy settings across multiple platforms.

Gartner said it expects global mobile advertising spending to reach $18 billion this year, up from the estimated $13.1 billion in 2013. By 2017 it's projecting the market will have sized up to be worth $41.9 billion. In North America, 50% of this market belongs to Google and Facebook. As more and more smaller players from previous spaces like desktop display allocate an increased budget into mobile initiatives, we should see new companies move into this space. The need to focus on mobile first or even mobile only has been a growing movement in the industry and this is not expected to change materially in 2015.

The third major trend is the increased availability of marketing tools via existing social media platforms. US social-media ad spend will top $8.5 billion this year and reach nearly $14 billion in 2018, up from just $6.1 billion in 2013.

The need to show increasing returns to its stakeholders has, in management's view, pushed Facebook, Twitter, Pinterest, Instagram and LinkedIn to spend significant time in finding ways to generate revenue with their tools. Facebook specifically has stolen an increasing portion of Google's ad revenue online. Digital expenditures in 2015 will reach $163 billion, or 30 percent of total ad spending, according to Magna Global, a media research unit of Interpublic Group of Cos. In four years, digital will account for 38 percent of global ad outlays, a proportion as large as television, which has held the biggest share of spending for more than a decade. This creates additional opportunities and challenges for other technology players in the market.

As the reliance on these services increase, IC Group continues to grow its capabilities to meet its shifting client demand. IC Group has spent time developing and distributing a data platform built on robust technology that ensures IC Group is visible in the channels in which consumers exist.

<u>Competition</u>

IC Group represents the unique integration of promotion, technology, insurance and promotion risk management. No single company has yet challenged IC Group in all areas of its core competencies and no other company has positioned itself as a full service promotional company that includes insurance, risk management and technology elements. Competition to date therefore has been primarily distinct in each of the IC Group service areas (i.e. different competitors in prize insurance and different competitors in online promotion delivery).

B. Industrial Services

(i) ClearStream

<u>Business Overview</u>

ClearStream is a fully integrated provider of upstream, midstream and downstream production services to the energy industry in western Canada. ClearStream provides transportation, fabrication, construction, maintenance and operation services primarily to the oil and gas industry and also to the pulp and paper and timber industries. The majority of ClearStream revenues are from maintenance and operations of existing oil and gas facilities as opposed to construction. As a result, ClearStream is less dependent on the oil cycle.

ClearStream's maintenance contracts generally have terms of up to five years and are renegotiated and often extended at the end of each term.

ClearStream (or its predecessor companies) has been in business since 1970. It has several offices and operating locations throughout Alberta, with most of its executive team located in Edmonton. ClearStream also has regional offices throughout Alberta and north-eastern British Columbia.

ClearStream has over 350 full-time employees that are working out of its various offices. The number of employees in the field varies from 1,500 to over 3,000 depending on seasonality and client demand.

ClearStream has been in the Company's portfolio since October 2004.

Products and Services

ClearStream, through its subsidiaries provides the following product offerings through three divisions; Industrial Services, Fabrication and Wear Technology, and Transportation and Logistics.

Industrial Services

Production and Maintenance: These services include providing complete plant and field support, quality control, field operations and safety management systems personnel. The maintenance services business segment also performs plant turnarounds whereby a facility is shut down for a period of time for service and repair. ClearStream is typically involved from the start of shutdown planning to the completion of the shutdown. ClearStream's maintenance services include the provision of personnel, materials and equipment required by ClearStream clients to execute their day-to-day maintenance services, operational requirements and turnaround activities.

Facility Construction: ClearStream provides a full range of facility construction services, including estimation, scheduling, inspection, procurement, project management and construction execution. The facility construction segment of ClearStream's business typically leads to its maintenance services being retained after the completion of construction.

Labour Supply: ClearStream supplies qualified heavy equipment operators and mechanics and general workers to the oil sands plants in Fort McMurray, Alberta.

Fabrication and Wear Technology

Fabrication, Machining and Modular Assembly: This business line includes pipe spooling fabrication, skid packages and vessel dressing, structural fabrication, module assembly and rebuilds.

Wear Technology: This area of service increases life expectancy of steel pipe and plate. Services include chromium carbide, tungsten carbide and proprietary overlays resulting in abrasion and corrosion resistant wear pipes and plates that are primarily used in the Canadian Oilsands.

Transportation and Logistics

Transportation and Logistics: This service includes pipe logistics and management, hauling and storage, on site hauling, equipment hauling, camp moving and general transportation services to the energy industry.

Customers

ClearStream's client base includes some of the largest and most recognized names in the energy industry. Three of Canada's largest integrated oil companies represent approximately 50.6% of ClearStream's revenues for the year ended December 31, 2014.

Notwithstanding that, ClearStream operates in a dynamic marketplace that is constantly changing because of merger and acquisition activity within the energy industry. ClearStream has been successful to date in fostering long-standing relationships with its clients.

Industry Trends

The energy industry (and particularly the oil and gas industry) is prone to cyclical fluctuations. The financial health of exploration and production companies and the level of activity in this sector is directly correlated with the price of oil and gas.

Certain segments of the oil and gas services industry run in a parallel cycle to exploration and production. Other segments, however, including those related to annual maintenance and repair are much more insulated from industry cyclicality. ClearStream made the strategic decision to focus on these less cyclical service areas in an effort to achieve operational and financial stability.

Competition

ClearStream's principal competitors are Flint Energy Services Ltd., Ledcor Group of Companies, Triton Projects Inc., Strike Energy, Quinn Contracting, Site Energy, Jacobs, Reppsco Services Ltd., and Tartan Canada. ClearStream management believes that its focus on core values around relationships, people, excellence and smart decisions, along with existing long term relationships ClearStream has with its customers, has made it a market leader in its field and represents a strong competitive advantage.

(ii) Quantum Murray LP ("Quantum Murray")

Business Overview

Quantum Murray is a fully integrated provider of environmental services across Canada. Over the course of four acquisitions since 2006 (being Murray Demolition, Quantum Environmental Group, Thomson Metals and Echelon Emergency Response and Training), operating under the Quantum Murray brand, the company evolved to provide full service capability and cross-selling opportunities, broader geographical scope and customer penetration and significant opportunities for organic growth.

In 2011, Tuckamore completed the purchase of the remaining interest in Quantum Murray to bring its interest up to 100%.

Quantum Murray is governed by a board of directors. Quantum Murray operates with a regional structure of Eastern, Prairies/North and Pacific. The executive team (CEO, CFO and Eastern Region General Manager) are based in Toronto, (Regional GM) in Calgary and (Regional GM) in Vancouver. Quantum Murray has three corporate offices and eight regional offices.

Quantum Murray has over 700 full-time employees that are working out of its various corporate and regional offices. The number of employees in the field is approximately 500 and varies depending on seasonality and client demand.

Quantum Murray offers service capabilities (lines of business) in: demolition, remediation, hazardous materials, emergency response and training, facilities management and metals recycling and waste management. Quantum Murray performs over 500 projects annually.

Products and Services

Quantum Murray provides end-to-end environmental services through a wide range of capabilities (services) that are structured into various lines of business. Quantum Murray often combines a range of these services into a single project – acting as the fully integrated contractor – which leads to better utilization of resources and co-ordination, resulting in higher value/lower costs to the customers it serves.

Demolition

These services provide specialized structural and interior demolition services for industrial and commercial sites including capabilities for decommissioning and investment recovery for equipment and scrap metal salvage & recycling.

Remediation

Drawing on its civil and geotechnical construction expertise, Quantum Murray provides services in environmental remediation, site decontamination and the dewatering and disposal of contaminated soils for industrial and commercial sites and facilities. Particular skills have been developed in radiation contaminated soils over the past several years to better pursue related opportunities.

Hazardous Materials

Quantum Murray specialize in the safe and effective management of a wide range of toxic materials and building contaminants found in commercial, residential and industrial sites. Teams of qualified professionals provide services for site and risk assessments, including comprehensive plans for removal and abatement. Quantum Murray handles a full range of environmentally sensitive substances such as asbestos, mould, lead, mercury and PCB's.

Emergency Response

Quantum Murray's emergency response services provide national 24/7 emergency response capabilities to manage and respond to a broad range of hazardous incidents on both land and water, from chemical and fuel spills to tanker roll-overs, train derailments and the release of toxins. Quantum Murray has grown the strong emergency response skills into the growing specialized industrial services markets providing savings and unique services to clients. Quantum Murray has highly trained responders across Canada (QM Emergency Response Team) with self-contained mobilized units and equipment. Quantum Murray operates a 24/7 National Call Centre to manage incoming ER calls and deployment of ER Teams. Quantum Murray is the largest national supporter of registered Emergency Response Assistance Plans that are managed by Transport Canada.

Training

Quantum Murray training services provide specialized training to both private and public sectors across Canada. Training courses are offered for health and safety, hazardous materials response, regulatory compliance and specialized rescue techniques. Most developed programs have industry accreditations and specialized training program for Aboriginal communities is also offered. All training is available at Quantum Murray training facilities or on location based on client requirements and are programs are used frequently for community capacity development to support remote projects managed by Quantum Murray.

Facilities

As part of the remediation and waste management services, Quantum Murray operates several waste management facilities to treat and dispose of waste materials from a variety of commercial and industrial sites. Quantum Murray fixed facilities are fully permitted, licensed and insured. Each facility has been professionally designed and is continually monitored to protect the environment.

Metals Recycling & Waste Management

These services specialize in the salvage and recycling of scrap metals, transforming them into a valuable resource. This division provides integrated services from collection, processing, management, transportation and sales for industrial and commercial markets. It includes residential services for bin rental and waste disposal. The Quantum Murray waste transfer station handles industrial, commercial and residential dry waste materials.

<u>Customers</u>

Quantum Murray serves a variety of customers from small developers and contractors to large commercial and industrial customers in mining, oil and gas and government contracting groups. Quantum Murray has an excellent track record and reputation for delivering quality service value and a strong health and safety culture. Quantum Murray prides itself in having a high level of repeat customers and very good customer satisfaction.

<u>Industry Trends</u>

On a long term basis, Quantum Murray may benefit from a number of ongoing trends within North America that drive demand for its services, including "de-industrialization", increasing urban density and an increased spend on infrastructure and the environment. Government and commercial initiatives for habitat reconstruction and cleaning up large contaminated sites such as decommissioned mines and nuclear facilities may also benefit Quantum Murray. Anticipated investments that require infrastructure renewal in the oil and gas sector in Western Canada also represent significant opportunities.

Competition

Quantum Murray faces competition in its demolition, remediation and scrap metal businesses from large competitors and smaller niche companies that offer similar services. The positive outlook in the industry has increased competition from new start-ups and foreign entrants. The number of small niche competitors in the commercial sector requires a more efficient mass production approach. There are many barriers to entry in competing for the larger industrial and commercial projects including size and financial stability, availability of performance bonding facilities, access to heavy and specialized equipment, project management and systems expertise, engineering and operating skill level and experience, and health and safety track record. There are fewer competitors in heavy industry but sophisticated proposal writing, and a high level of health and safety and quality are required to prequalify and compete in this segment of the business.

Growth Strategy

Quantum Murray is focused on growing organically and expanding its market presence through focused business development and account management strategies to further build repeat business with existing customers, grow national accounts and develop new customer relationships, as well as strengthening its presence in Western Canada, particularly within the oil and gas and mining sectors. Additional small regional offices may be added to take advantage of local markets. Quantum Murray's diversified service offering provides it with access to a broad range of markets and customers. This in turn leads to greater opportunities for cross selling and geographic diversification. Quantum Murray will also be focusing on industrial and utilities clients where it can provide turn-key solutions to large scale, decommissioning projects. Quantum Murray may also make smaller, add-on acquisitions to fill in its service offering in selected geographic and vertical markets. Quantum Murray is also looking to expand its remediation capacity by acquiring or leasing under long-term arrangements, additional landfill capacity.

Competitive Strengths

Management believes that Quantum Murray is well positioned for the long term due in part to its market share leadership in Canada, its excellent reputation in the Canadian marketplace and its strong relationships with clients and employees, significant repeat business and its diversity of services offered and geographies and industries served. The integrated services offered allows Quantum Murray to reduce costs in projects that require multiple services. Some service divisions such as emergency response can feed new business to other divisions. There are few competitors that offer the national integrated content that Quantum Murray does. This is important in the petrochemical, mining and transportation industry. For example, Quantum Murray is the only full service company offering emergency response services across Canada.

C. Other

(i) Rlogistics Limited Partnership ("Rlogistics")

Business Overview

Rlogistics is a retail and wholesale reseller of consumer and office products and operates 20 stores in Ontario under the name "factorydirect.ca". Rlogistics operates in the liquidation market, specializing in purchasing large quantities of new, used, retail returns, as-is, refurbished, new end of line, new surplus, and new closeout inventory from major manufacturers, leasing companies, retailers, liquidators and distributors worldwide.

Rlogistics' products are generally obtained at wholesale or below wholesale prices and then sold to end consumers and dealers. As a result of its changing product mix, opportunity buying and retail industry conditions, Rlogistic's main source of revenue changes periodically.

Rlogistics has been in the Company's portfolio since May 2006.

Supplier and Product Supply Risks

Rlogistics has multiple suppliers and one of the keys to its operational success is maintaining excellent relationships with all its suppliers. The consistent supply of liquidated products at below market prices is essential to the success of Rlogistics. The loss of several of Rlogistics' suppliers or a decrease in the availability of liquidated merchandise (i.e., products purchased at attractive prices) could have a material adverse effect on Rlogistics' total product supply and consequently on the short and long-term revenues and profitability of Rlogistics. Due to the nature of the business, there is also increased risk associated with the quantity of purchases by Rlogistics that require prepayment (in advance of the receipt of goods) and the limited warranty provided by suppliers on certain merchandise.

Industry Trends

Rlogistics has been broadening its product and category selections in an attempt to limit its exposure to periodic weaknesses in the supply of certain products and/or categories.

Rlogistics is continuing to develop and enhance relationships with its suppliers.

Competition

Rlogistics competes with other discount retailers, wholesale clubs and other wholesale liquidators. Rlogistics also competes with first-to-market retailers; however, Rlogistics' marketing efforts are focused more towards cost conscious consumers. Competition within the retail market has increased significantly over the last few years resulting in lower margins in several commodity categories.

(ii) Titan Supply LP ("Titan")

Business Overview

Headquartered in Edmonton, Alberta, Titan is a leading manufacturer and distributor of rigging products and services and ground engaging tools.

In business for more than 40 years, Titan has built a strong reputation throughout Alberta providing quality products and services to customers in the mining, pipeline, oil and gas, transportation, construction and forestry industry. With over 120 dedicated employees located in Edmonton, Red Deer, Calgary and Grande Prairie, Titan differentiates itself in the market by providing value-added services and solutions.

Titan has been in the Company's portfolio since September 2006.

Products and Services

All of Titans products are used in harsh operating conditions and are consumable in nature. The rigging products must be compliant with applicable industry standards.

Titan's rigging products and services comprise a wide range of wire rope, chains, synthetic slings and fittings utilized in various applications and inspected, repaired and recertified on a regular basis. The ground engaging tools ("**GET**"), include snow removal blades, industrial rotary brushes and tire chains. Titan carries a complete range of accessories in each of these product areas.

Titan's unique product mix is the most comprehensive in Western Canada and, with its rigging product inspections and repairs, Titan can provide the market with a single source solution.

Customers

Rigging and GET products are both in demand by a large proportion of Titan's customers who are involved in oil and gas, pipeline, transportation, construction, forestry, and mining industries.

Titan has a well-diversified customer base of approximately 1600 active customers on a monthly basis. The top 100 customers represent 51% of sales, and the top 10 customers represent 18% of sales. The customers operate primarily in the oil and gas, construction and transportation industries in Alberta.

Titan's customers require rigging and GET products to perform their core functions and serve their clients in the industries they operate in.

Suppliers

Titan has established solid relationships with key suppliers often representing exclusive distribution in some Alberta markets. Titan's top 5 suppliers make up approximately 50% of its sales and reflect the market requirements for high quality products. The remaining suppliers provide Titan with the ability to offer customers products that meet their needs.

Industry Overview and Trends

According to current available data, Alberta has the world's third-largest crude oil reserves behind Saudi Arabia and Venezuela with 170.2 billion barrels, or about 11% of total global oil reserves (1,523 billion barrels). Oil and gas accounts for one-quarter of Alberta's gross domestic product, almost 70% of exports and 35% of Alberta government revenues.

Alberta holds 70% of Canada's coal reserves. Nine major coal mines produce 27 - 30 million metric tonnes of marketable coal per year.

Other industries served by Titan benefit from the oil and gas industry including transportation and manufacturing. Both sectors are dependent on the development and growth of the energy sector.

Forestry is an important sector in Alberta's northern economy and Titan's northern business. Alberta covers more than 66 million hectares of land, 58% of which (38 million hectares) is forested. In addition to Alberta's forests, the neighboring forestry industry in northern British Columbia is a key market.

Economic activity in Alberta experienced a substantial downward shift in the fourth quarter of 2014 and is expected to remain at low levels in 2015. TD's updated forecast now calls for real GDP growth to inch forward by only 0.5%. Low energy prices have led to a significant decline in the rig count and large energy producers have significantly reduced their workforce and capital plans. Weaker employment and income gains are expected to translate into a downturn in the residential market, which is estimated to lead to a pullback in new residential construction activity. From a government perspective, the hit to revenues has been significant. As such, expenditure restraint is clearly in the cards for the province of Alberta, limiting the public sector.

Competition

Titan competes with a fragmented base of competitors. Management believes that there are no other businesses in Titan's market areas with the same product mix and geographic scope. Competitors include various equipment dealers for GET products and a number of industrial product suppliers of varying size, market focus and product capability for rigging. In wear products, specifically GET, Titan competes primarily with original equipment manufacturers, but is the largest independent distributor of GET products in the market.

Competitive Strengths

Titan's core strategy is to satisfy its current customers and win new customers by providing superior products, value-added services and meeting critical turnaround time demands.

The Titan product offering is unique in the market and no competitors can match its range of rigging products. Titan has large diameter wire rope capacities, exclusive licensing agreements, 100% North American made product and the ability to fabricate custom orders to serve unique needs.

Titan understands that success with customers depends upon a clear understanding of their individual needs for these products and an ability to help them reduce application costs and meet compliance standards.

Specialized product knowledge and a focus on safety and compliance set Titan apart from its competition. Titan's central warehouse capabilities and branch locations enable it to consistently and competitively service customers operating on a province-wide basis. Strong buying power and reliable supplier relationships on both domestic and import products and materials developed over a number of years contributes to Titan's success in the market.

Titan is able to leverage its strong market position in both rigging products and services and ground engaging tools to stay ahead of customer needs and bring innovative products and services to the market.

(iii) Gusgo Transport LP ("Gusgo")

Business Overview

Gusgo is in the marine container transportation business and commenced operations (through predecessor companies) in 1969. Gusgo has excellent long term relationships with its key customers and endeavours to provide timely and efficient service to a limited number of large customers. Gusgo specializes in all aspects of marine containers, from transportation to loaded and empty storage. Gusgo operates out of Vaughan, Ontario on a 15 acre property available for storage (including refrigerated storage). The Company believes that there is land available for significant future growth on site. Gusgo is licensed in Ontario, Quebec and throughout the United States.

Gusgo has 95 employees and independent contractors operating out of this facility. Gusgo has been in the Company's portfolio since October 2006.

Products and Customers

The strength of Gusgo is in providing timely service at competitive rates. Gusgo's client base includes some of the largest steamship lines and freight forwarders in the container business. Gusgo is a contracted carrier to one of Canada's largest and most recognized importers.

Suppliers

Labour is supplied by independent contractors, many of whom have been long term contractors. By utilizing independent contractors, Gusgo is able to better manage labour costs.

Gusgo has a limited number of suppliers for major expenditures such as fuel, insurance and supplies.

Industry Overview and Trends

The transportation industry can be highly cyclical with seasonal peaks depending on commodities carried. Gusgo made the strategic decision to focus on the intermodal transportation segment which tends to be less cyclical. This allows Gusgo much more operational and financial stability. The intermodal industry is growing as over 90% of worldwide goods move through the container business. Management believes that, as customers continue to rely on a steady flow of imported goods, the business and customer base will grow.

Competition

There is some competition in this niche of the transportation business. Gusgo continues to strive to provide quality service at competitive prices to build on its long term relationships with its customers.

Competitive Strengths

Gusgo has been in business for many years and has an excellent relationship with its independent contractors. Gusgo's continued focus on timely service is the key to customer satisfaction.

Management believes that the ability to build long term relationships with key customers in a niche market will continue to drive the business.

The Gusgo business model is designed to reduce risk and excessive capital requirements. Rather than owning all of the trucks, Gusgo hires independent drivers with their own trucks to haul containers. Gusgo offers the independent drivers a highly competitive compensation package. By providing the drivers with reliable, steady work, Gusgo has successfully avoided significant driver shortage issues and has a good reputation among drivers. Gusgo maintains repair and maintenance services on site where trucks and chassis may be serviced or repaired.

4. RISK FACTORS

An investment in Shares of the Company involves a number of risks. In addition to the other information contained in this AIF and the Company's other publicly filed disclosure documents, investors should give careful consideration to the following factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. Any of the matters highlighted in these risk factors could have a material adverse effect on the Company's results of operations, business prospects or financial condition.

4.1 Description of Risks Related to the Company and the Company's Operating Partnerships

The Company's financial results are impacted by the performance of its Operating Partnerships and various external factors influencing the environments in which they operate. While stronger performance by one of the Operating Partnerships may compensate for weaker performance by another of the Operating Partnerships, any negative effects on the financial condition or results of operations of an Operating Partnership has a negative effect on the financial condition or results of operations of the Company.

A. Risks Relating to the Company and the Operating Partnerships in General

Leverage and Restrictive Covenants

The degree to which the Company is leveraged could have important consequences to shareholders, including the following: (i) the ability to obtain additional financing for working capital, capital expenditures or acquisitions; (ii) a material portion of cash flow from operations may need to be dedicated to payment of the principal of and interest on indebtedness, thereby reducing funds available for future operations; (iii) the Company may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. The ability to make scheduled payments of principal and interest on, or to refinance, its indebtedness will depend on its future operating performance and cash flows, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The Third Amended and Restated Credit Agreement contains restrictive covenants customary for credit facilities of this nature, including covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability to incur additional indebtedness, to make certain payments, and to make additional acquisitions. In addition, the Third Amended and Restated Credit Agreement contains a number of financial covenants that require the Company to meet certain financial ratios and financial tests. A failure to comply with the obligations in the Third Amended and Restated Credit Agreement could result in an event of default that, if not cured or waived, could permit acceleration of Third Amended and Restated Credit Agreement and Secured Debentures. If the indebtedness under the Third Amended and Restated Credit Agreement were to be accelerated, there can be no assurance that the assets would be sufficient to repay in full that indebtedness. At December 31, 2014, Tuckamore was in compliance with its debt covenants. There is a risk that the Company may not meet certain debt covenants in the future. In such case, and without an amendment or forbearance from the BMO Lenders, the amounts owing pursuant to the Third Amended and Restated Credit Agreement and Secured Debentures could accelerate and become due on demand and classified as current.

Failure to Realize Anticipated Benefits of Investments Made

The Company and a number of its Operating Partnerships may partner with additional entrepreneurs in the future. The ability to identify new partnership opportunities and to acquire an ownership interest in new partnerships at attractive prices is not guaranteed. Achieving the benefits of future acquisitions will depend in part on successfully consolidating functions and integrating operations, procedures and personnel of all of the partnerships in a timely and efficient manner. The integration of these future acquisitions will require the dedication of management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of ongoing business and customer and employee relationships that may adversely affect the Company or an Operating Partnership's ability to achieve the anticipated benefits of future acquisitions.

Condition of Capital Markets

While the Company has successfully restructured its balance sheet, the majority of cash flow, and all asset sale proceeds, if any, is anticipated to be used to pay down debt for the foreseeable future.

Dependence on Key Personnel

The success of the Company and of each of its Operating Partnerships depends on their respective senior management teams and other key employees, including their ability to retain and attract skilled management and employees. The loss of the services of key personnel could have a material adverse effect on the business, financial condition, results of operations or future prospects of the Company and its Operating Partnerships. In addition, growth plans may require additional employees, increase the demand on Management and produce risks in both productivity and retention levels. The Company and its Operating Partnerships may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that the Company will be able to effectively manage its future business plan, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

General Economic Factors

The Company's business and the business of each of its Operating Partnerships are subject to changes in general economic conditions including but not limited to, recessionary or inflationary trends, equity market levels, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. Management believes the risk from general economic factors is reduced by having a diverse source of cash flows from businesses that perform differently at different points in the cycle.

Customer Concentration

Some of the Operating Partnerships derive a significant portion of their revenues from a limited customer base. If one or more of the significant customers of an Operating Partnership were to cease doing business with the Operating Partnership, or significantly reduce or delay its purchase of services, the financial condition and results of operations of such Operating Partnership could be materially adversely affected.

Environmental Legislation

Environmental matters are subject to regulation under a variety of federal, provincial, territorial, state and municipal laws relating to health and safety and the environment. Management believes that the Operating Partnerships are in material compliance with applicable environmental legislation; however regulation is subject to change and, accordingly, it is impossible to predict the cost of compliance with new laws or the effects that such changes would have on the Operating Partnerships or their future operations.

Management believes that the impact of environmental regulation is greatest for the Operating Partnerships in the industrial and other segments.

Dependence on the Operating Partnerships

The Company is a holding company that is entirely dependent on the operations and assets of the Operating Partnerships. The ability of the Company to make payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing its material indebtedness (including the Third Amended and Restated Credit Agreement and pursuant to the Secured Debentures).

Labour

The success of the Company depends on the ability of the Operating Partnerships to maintain their respective productivity and profitability. The productivity and profitability of the Operating Partnerships may be limited by their ability to employ, train and retain the skilled personnel necessary to meet their respective requirements. None of the Operating Partnerships can be certain that they will be able to maintain the adequate skilled labour force necessary to operate efficiently and to support their growth strategies. As well, none of the Operating Partnerships can be certain that their labour expenses will not increase as a result of shortage in the supply of these skilled personnel. Labour shortages or increased labour costs could impair the ability of an Operating Partnership to maintain or grow its respective Operating Partnership.

Regulation

The Company and its Operating Partnerships are subject to a variety of federal, provincial and local laws, regulations, and guidelines and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Company and the Operating Partnerships. Although such expenditures historically have not been material, such laws and regulations are subject to change. Accordingly, it is impossible for the Company or the Operating Partnerships to predict the cost or impact of such laws and regulations on their respective future operations.

Competition

The businesses in which the Operating Partnerships operate are highly competitive. The Operating Partnerships often compete with companies that are much larger and have greater resources than the Operating Partnerships. There can be no assurance that the Company and the Operating Partnerships will be able to successfully compete against their respective competitors or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows.

Potential Unknown Liabilities

In connection with the prior formation of Operating Partnerships (or future operating partnerships acquired by the Company), there may be unknown liabilities directly or indirectly assumed by the Company through its interests in such operating partnerships for which the Company or its direct and indirect subsidiaries may not be indemnified by the prior owner. The discovery of any material liabilities could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Company.

Availability of Future Financing

The Company's principal source of funds is cash generated from its Operating Partnerships. The Company however, may require additional equity or debt financing to meet its financing requirements. There can be no assurance that this financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to the Company, in which event the financial condition of the Company may be materially adversely affected.

Potential Future Developments

Management of the Company, in the ordinary course of business, regularly explores potential strategic opportunities and transactions. The public announcement of any of these or similar strategic opportunities or transactions might have a significant effect on the price of the Company's securities. The Company's practice is not to publicly disclose the pursuit of a potential strategic opportunity or transaction unless and until a definitive binding agreement is reached unless otherwise required by applicable law. There can be no assurance that investors who buy or sell securities of the Company are doing so at a time when the Company is not pursuing a particular strategic opportunity or transaction that when announced, would have a significant effect on the price of the Company's securities.

B. Risks Relating to Specific Operating Partnerships

(i) Marketing Segment (Gemma and IC Group)

Loss of Key Clients

Clients can terminate their contracts, or terminate or reduce volumes, on relatively short notice. Additionally, most contracts do not guarantee a minimum level of revenue, and the profitability of each client program may vary depending on contract term for volume. While most client contracts are supported by long-term relationships, there is no guarantee that this business will continue in the future.

Ability to Generate Revenue from New and Existing Clients

To increase its revenue, a marketing company needs to obtain additional clients or generate additional demand for its services from existing clients. The ability to generate initial demand for services from clients and additional demand from existing clients is subject to clients' and potential clients' requirements, pre-existing vendor relationships, financial condition, strategic plans and internal resources, as well as the quality of a marketing company's employees, services and reputation and their breadth of service. To the extent that one of the Operating Partnerships in the marketing area cannot generate new business from new and existing clients due to these limitations, it will limit that Operating Partnership's ability to grow its business and to increase revenues.

(a) Gemma

Offshore Competition

In recent years, many contact centre outsource providers have been establishing a presence offshore in countries like India, the Philippines and in the Caribbean to provide service to North American and European clients and take advantage of lower labour costs in those jurisdictions. The availability of contact centre solutions from lower cost jurisdictions has created an environment of increasing pricing pressure from clients.

Staffing Levels

The contact centre industry is characterized by high employee turnover. If Gemma is unable to maintain adequate staffing levels, it may not be able to provide the required services which could materially impact Gemma's revenues and profitability.

(b) IC Group

Changes in the Business, Economic and Political Environment

IC Group's business and results of operations can be affected significantly by changes in the business and economic environment, including changes in the level of demand for its products, price competition and variation in other terms and conditions of trade, volatile and unpredictable developments (including catastrophes), changes in loss of reserves resulting from changing legal environments as different types of regulatory implementations develop, increased competitive companies, fluctuations in interest rates, price competition and other changes in the investment environment which affect returns on invested assets and inflationary pressures that affect the actions of clients pertaining to their budgets.

Competitive Market Environment

The insurance brokerage industry is highly competitive. IC Group competes, and will continue to compete, with both large and small companies in the market, some of which may have greater financial, marketing, distribution and management resources than IC Group. In addition, IC Group may not be aware of other companies that may be planning to enter the insurance market. Any new, proposed or potential legislative or industry developments could further increase competition in IC Group's markets. There can be no assurance that IC Group will be able to achieve or maintain any particular level of commissions in this competitive environment.

Regulatory Risks

IC Group's business is subject to various regulatory requirements imposed by legislation and regulation in the countries it operates within; data privacy being an example. Material changes in the regulatory framework or the failure to comply with regulatory requirements could have an adverse effect on IC Group. Additionally, significant tort law reform could impact the cost of litigation surrounding personal information, communication errors, data breaches and alike. These reforms would result in insurance cost increases, operating cost increases etc.

Currency Exchange Rate

Approximately 90% of IC Group's sales are in U.S. dollars, which exposes the business to currency fluctuations. This could impact the business positively or negatively during any time period.

Loss of Core Clients

IC Group's promotional and loyalty program business is focused around two main core clients and loss of one of these clients would expose IC Group to risk of reductions in revenues.

(ii) ClearStream

Volatility of Industry Conditions

Conditions in the energy industry are influenced by numerous factors over which ClearStream has no control, including: the level of oil and gas prices; expectations about future oil and gas prices; the cost of exploring for, producing and delivering oil and gas; the expected rates of declining production; the discovery rates of new oil and gas reserves; available pipeline and other oil and gas transportation capacity; weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and gas companies to raise equity capital or debt financing.

The level of activity in the Canadian oil and gas exploration and production industry is volatile. No assurance can be given that expected trends in oil and gas production activities will continue or that demand for oilfield services will reflect the level of activity in the industry. Any prolonged substantial reduction in oil and natural gas prices would likely affect oil and gas production levels and therefore affect the demand for services to oil and gas customers. A material decline in oil or gas prices or Canadian industry activity could have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

Seasonality

In Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. Spring break-up during the second quarter leaves many secondary roads temporarily incapable of supporting the weight of heavy equipment, which results in severe restrictions in the level of oilfield services. The duration of this period will have a direct impact on the level of ClearStream's activities. Spring break-up occurs earlier in the year in south-eastern Alberta than it does in northern Alberta. The timing and duration of spring break-up is dependent on weather patterns but it generally occurs in April and May. Additionally, if an unseasonably warm winter prevents sufficient freezing, ClearStream may not be able to access well sites and its operating results and financial condition may therefore be adversely affected. The demand for oilfield services may also be affected by the severity of the Canadian winters. In addition, during excessively rainy periods, equipment moves may be delayed, thereby adversely affecting revenues. The volatility in the weather and temperature can therefore create unpredictability in activity and utilization rates, which can have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

Customer Contracts

The business operations of ClearStream depend on its ability to perform under the agreements with its customers and the ability to attract new business. The key factors, which determine whether a client continues to use ClearStream are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety performance and competitive pricing. Although Clearstream's key customer relationships are measured in decades, there can be no assurance that ClearStream's relationship with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

Sources, Pricing and Availability of Equipment and Equipment Parts

ClearStream sources its equipment and equipment parts from a variety of suppliers. Should any suppliers of ClearStream be unable to provide the necessary equipment or parts or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of services or in the time required to find new suppliers could have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

Customer Concentration

Large contracts often create a situation where a significant portion of ClearStream's main revenue and accounts receivables may be from a small number of customers increasing the risks of economic dependence and concentration of credit. ClearStream is economically dependent upon its top three clients who made up approximately 50.6% of its revenues for 2014.

Project Risk

A portion of ClearStream's revenues is derived from stand-alone construction projects under a "lump sum" contracting strategy. Although these projects provide opportunities for increased revenue and profit contributions they can occasionally result in significant losses. Although "lump sum" projects do not represent a high percentage of the work ClearStream performs, ClearStream may experience periods of irregular or reduced revenues. The recording of the results of these project contracts can distort revenues and earnings on both a quarterly and an annual basis and can, in some cases, make it difficult to compare the financial results between reporting periods.

Environmental

The operations of ClearStream are, and will continue to be, affected in varying degrees by federal and provincial statutes and regulations regarding the protection of the environment. Changes to existing statutes or regulations could have a negative impact on development projects in the oil sands. Furthermore, under existing legislation, all capital projects in the oil sands are subject to regulatory approval. Planned capital projects that have not yet obtained regulatory approval will require such approvals in order to proceed.

No assurance can be given that future environmental approvals, laws or regulations will not adversely impact the ability of ClearStream's customers to develop and operate in the oil sands.

Unexpected Adjustments and Cancellations in Backlog

ClearStream may not be able to convert its backlog into revenue and cannot guarantee that the revenues projected in its backlog will be realized or, if realized, will result in profits. This is a fundamental condition of the energy services industry. Projects may remain in its backlog for an extended period of time. ClearStream includes in its backlog binding and non-binding letters of intent, work orders and cost reimbursable contracts, which may be different than the items other issuers include in backlog. In addition, as many of ClearStream's clients have the right to terminate their contracts on short notice, project cancellations or scope adjustments may occur, from time to time, with respect to contracts reflected in its backlog and with respect to backlog evidenced by a non-binding letter of intent, the formal contract respecting same may never be finalized, resulting in such engagement being terminated. Backlog reductions can adversely affect the revenue and profit ClearStream actually receives from projects reflected in its backlog. Future project cancellations and scope adjustments could further reduce the dollar amount of the Company's backlog and the revenues and profits that ClearStream actually receives. Additionally, in the event of a project cancellation, the Company may be reimbursed for certain costs, but typically has no contractual rights to the total revenue that was expected to be derived from such project.

Union Work Stoppages

27% of ClearStream's hourly employees, workers in both ClearWater Fabrication and ClearWater Energy Service, are subject to collective agreements to which it is a party or is otherwise subject. Any work stoppage resulting from a strike or lockout could have a material adverse effect on the Company's business, financial condition and results of operations, including increased labour costs and service disruptions. In addition, ClearStream's clients employ workers under collective agreements. Any work stoppage or labour disruption experienced by ClearStream's key clients could significantly reduce the amount of its services that they need.

Price and Availability of Alternative Fuels

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. ClearStream cannot predict the impact of changing demand for oil and gas products, and any major changes may have a material adverse effect on ClearStream's business, financial condition, results of operations and cash flows.

(iii) Quantum Murray

Large Project Risk

A portion of Quantum Murray's revenues are derived from large projects. Opportunities to compete for such large projects do not occur regularly and Quantum Murray's ability to successfully compete for these large opportunities and the length of time required to execute such projects is not predictable. As a result, Quantum Murray may experience fluctuations in financial results and cash flows. Cash flow challenges in large projects occur due to delay between cost expenditure and revenues and typical holdbacks of 10%.

Access to Bonding

Most of Quantum Murray's contracts require sufficient bonding. Although Quantum Murray believes that it should be able to secure and maintain surety capacity adequate to satisfy its current requirements, if such requirements become materially greater than anticipated or should sufficient surety capacity not be available, this could have a material adverse effect on Quantum Murray's business, financial condition, future prospects and results of operations.

Contractual Risks

A substantial portion of Quantum Murray's revenue is derived from fixed-price contracts pursuant to which a commitment is provided to the owner of the project to complete the project for a guaranteed amount. Any errors in estimating the cost or time to complete such projects may be absorbed by

Quantum Murray which may have a material adverse effect on Quantum Murray's business, financial condition and results of operations.

Economic Risks

Quantum Murray's revenues and profitability are tied to the general state of the economy and level of government funding in the geographic regions in which it operates. A fluctuation in the general state of the economy in those geographic regions in which Quantum Murray operates could have a material adverse effect on Quantum Murray's business, financial condition, future prospects and results of operations.

Environmental and Safety Risks

Quantum Murray handles hazardous substances such as asbestos, mould, lead, PCBs and contaminated soils as part of its business. While Quantum Murray has not had any incidents, emissions or spills, there can be no guarantee that there will not be any incidents, emissions or spills in the future or that any such incidents will be of a non-material nature.

Quantum Murray is subject to, and materially complies with, environmental and health and safety legislation in the jurisdictions in which it operates. Management is not aware of any pending environmental or health and safety legislation that would be likely to have a material impact on any of its operations, capital expenditure requirements or competitive position. Nevertheless, there can be no guarantee with respect to the impact of future legislation or incidents which could have a material adverse effect on Quantum Murray's operations, capital expenditure requirements or competitive position.

Labour Factors

A portion of Quantum Murray's labour force is unionized and, accordingly, Quantum Murray is subject to the detrimental effects of a strike or other labour action, in addition to competitive cost factors. The seasonality of its work creates a challenge in keeping trained staff for some of its more complex work. The ability to bid and deliver projects in Alberta is affected by the challenge to hire qualified staff in a tight labour market.

Scrap Metal

Quantum Murray's metal business purchases scrap metal from several different sources and its demolition business. It frequently obtains the rights to the scrap metal that can be salvaged as part of a given project pursuant to the terms of the contract and in turn sells the scrap metal to various end markets. As a result, Quantum Murray's revenues and profitability are exposed to fluctuations in the market prices for such metals. Demolition project profits are affected by the ability to predict the quantity of the salvageable material and the ultimate value of the material during the course of a project.

(iv) Rlogistics

Economic Risk

The success of Rlogistics depends in large part on the extent of consumer spending and the supply of liquidated goods. Economic conditions and the level of spending on consumer and office products are generally positively correlated. Rlogistics sells discount merchandise and, relative to some of its competition that operate in the first-to-market business, generally does not fare as poorly during economic downturns providing there is a large available supply of liquidated goods. It is also important to the ongoing success of Rlogistics that it attracts and retains quality personnel in all departments (especially in purchasing) at reasonable pay rates and that utility rates remain reasonable (due to the number of locations Rlogistics occupies).

(v) Titan

Economic Risks

Titan provides products to firms that operate in the natural resources industry. Natural resource prices tend to be correlated to the general state of the economy and the level of activity in natural resource industries fluctuates with the price of each respective natural resource. Since natural resource prices are correlated to the strength of the economy, Titan is exposed to general economic risks in those geographic regions in which it operates as well the general state of the economy of Canada, the United States and globally.

Volatility of Industry Conditions

Conditions in the oil and gas services industry are influenced by numerous factors over which Titan has no control, including: the level of oil and gas prices; drilling levels; expectations about future oil and gas prices; the cost of exploring for, producing and delivering oil and gas; the expected rates of declining production; the discovery rates of new oil and gas reserves; available pipeline and other oil and gas transportation capacity; worldwide weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and gas companies to raise equity capital or debt financing. All of these factors affect the level of activity in the oil and gas industry and the inputs Titan provides for these activities.

Seasonality of Oil and Gas Industry

In Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. Spring break-up during the second quarter leaves many secondary roads temporarily incapable of supporting the weight of heavy equipment, which results in severe restrictions in the level of oilfield services. The duration of this period will have a direct impact on the level of Titan’s sales. Spring break-up occurs earlier in the year in south-eastern Alberta than it does in northern Alberta. The timing and duration of spring break-up is dependent on weather patterns but it generally occurs in April and May. The demand for oilfield services may also be affected by the severity of the Canadian winters. The volatility in the weather and temperature can therefore create unpredictable activity and utilization rates, which can have a material adverse effect on Titan’s business, financial condition, results of operations and cash flows.

(vi) Gusgo

Economic Risk

The trucking industry in general is subject to the risk of a general economic slowdown. The demand for trucking services is traditionally positively correlated to the economy as a whole and a downturn in the economy could have a material adverse effect on the revenues and profitability of Gusgo.

Fuel Prices

The price of fuel to operate the vehicles and equipment represents a large expense for Gusgo, the price of which fluctuates considerably. A large or unexpected increase in the price of fuel could materially and adversely affect the profits of Gusgo. To date, Gusgo has managed to pass on fuel cost increases to customers, however, this may not always be the case.

Economic Dependence

As a strategic decision, Gusgo has a relatively concentrated customer base. There can be no assurance that Gusgo’s customers will continue to do business with Gusgo at their current levels. The loss of one or more customers, or a significant decrease in the services required could materially adversely affect the revenues and profitability of Gusgo.

C. Risks Relating to the Company's Corporate Structure

Potential Sales of Additional Shares

The Company may issue additional Shares or securities exchangeable for or convertible into shares in the future. Such additional Shares may be issued without the approval of shareholders. The shareholders will have no pre-emptive rights in connection with such additional issues. Additional issuance of Shares will result in the dilution of the interests of shareholders.

Income Tax Matters

Although the Company, Tuckamore Holdings LP and the Operating Partnerships and their subsidiaries are of the view that all expenses to be claimed by them in the determination of their respective incomes under the *Income Tax Act* (Canada) (the "**Tax Act**") are reasonable and deductible in accordance with the applicable provisions of the Tax Act, and that the allocation of partnership income for purposes of the Tax Act are reasonable, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the Canada Revenue Agency (the "**CRA**") will agree with the expenses claimed or such allocation of partnership income. If CRA successfully challenges the deductibility of such expenses or the allocation of such income, the allocation of taxable income to the Company, and taxable income of the Operating Partnerships and their subsidiaries, may change.

Elections have been made under the Tax Act such that the transactions under which Tuckamore Holdings LP acquires its interest in the Operating Partnerships may be effected on a tax-deferred basis. The adjusted cost base of any property transferred to an Operating Partnership pursuant to such agreements may be less than its fair market value, such that a gain may be realized on the future sale of the property.

The acquisitions of Operating Partnerships involved various structuring events to complete the transactions in a tax effective manner. These transactions involved interpretations of the Tax Act which could, if interpreted differently, result in additional tax liabilities.

Shot-Gun Buy-Sell Rights

Certain of the limited partnership agreements of the Operating Partnerships contain shot-gun buy-sell provisions. The purpose of the shot-gun buy-sell provisions is to provide the parties with a recognized mechanism for solving any fundamental disputes which may develop. If one of the limited partners of the applicable Operating Partnership, other than Tuckamore Holdings LP, initiates a shot-gun buy-sell, the general partner of Tuckamore Holdings LP will have to decide whether to buy at the offered price, in which case monies may have to be raised, either by drawing on the credit facility in the short term, or to sell at the offered price, in which case Tuckamore Holdings LP will receive the proceeds of sale, and will use such proceeds to pay down debt. There is no assurance that Tuckamore Holdings LP will decide to buy at any offered price or that Tuckamore Holdings LP will have sufficient funds to buy at any offered price pursuant to a shot-gun buy-sell provision. Any decision of Tuckamore Holdings LP not to buy at an offered price or its inability to buy at an offered price may have a negative impact on the Company. Any purchase or sale by Tuckamore Holdings LP pursuant to such shot-gun buy-sell provisions will require consent of the lenders under the Third Amended and Restated Credit Agreement. No assurance can be given that such consent will be obtained on acceptable terms or at all should Tuckamore Holdings LP decide that it wishes to sell under a shot-gun buy-sell provision.

D. Risks Relating to Shares of the Company

Unpredictability and Volatility of Share Price

A publicly traded holding company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Shares will trade cannot be predicted. The market price of the Shares could be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Shares.

Restrictions on potential growth

The use of operating cash flow to reduce debt will make additional capital and operating expenditures somewhat dependent on increased cash flow. Lack of those funds could limit the future growth of the Operating Partnerships and their cash flow.

E. Risks Relating to the Secured Debentures

Prior Ranking Indebtedness

The Secured Debentures are subordinate to certain senior secured indebtedness of the Company (the "**Senior Indebtedness**"), including indebtedness under the Third Amended and Restated Credit Agreement. As described above under 2.3 – Credit Facilities and Debt Securities, the payment of principal and interest on the Secured Debentures will be subject to restrictions while Senior Indebtedness remains outstanding.

Inability to Refinance Secured Debentures

There are no assurances that a transaction or a series of transactions to refinance the Secured Debentures will be available to the Company at all, on acceptable terms or at an acceptable level. In addition, the Secured Debentures are subordinate to the Company's obligations pursuant to the Third Amended and Restated Credit Agreement and the Company may be prohibited or limited thereunder from engaging in a transaction or a series of transactions to refinance the Secured Debentures. Further, any additional equity financing may cause shareholders to experience dilution, and any additional debt financing may result in increased interest expense or restrictions on the Company's operations.

Inability to Fund Purchase of Secured Debentures

The Company may be required to offer to purchase all outstanding Secured Debentures upon the occurrence of a Change of Control (as such term is defined in the trust indenture governing the Secured Debentures). However, it is possible that, following a Change of Control, the Company will not have sufficient funds at that time to make the required purchase of then outstanding Secured Debentures or that restrictions contained in other indebtedness, of the company will restrict those purchases.

Redemption Prior to Maturity

The Secured Debentures may be redeemed in certain circumstances and, at the option of the Company, prior to their respective maturity dates, together with any accrued and unpaid interest. Holders of Secured Debentures should assume that this redemption option will be exercised if the Company is able to refinance at a lower interest rate or it is otherwise in the interest of the Company to redeem the Secured Debentures.

Market Value Fluctuation

Prevailing interest rates will affect the market value of the Secured Debentures, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Secured Debentures, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Trading Market for the Secured Debentures

Although the Secured Debentures are listed on the TSX, the Company cannot be sure that an active trading market will continue for the Secured Debentures. In such case, holders of the Secured Debentures may not be able to resell their Secured Debentures at their fair market value or at all.

Future trading prices of the Secured Debentures will depend on many factors, including, among other things, prevailing interest rates, the Company's operating results and the market for similar securities.

5. DIVIDENDS

The Company has not paid any cash dividends to date on the Shares. Further, the Company intends to retain its earnings or make required payments under its senior indebtedness and does not expect to pay any cash dividends on its Shares in the foreseeable future. The actual timing, payment and amount of any dividends, if any, will be determined by the Company's board of directors (the "**Board**") from time to time based upon, among other things, cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and such other business considerations as the Board may consider relevant in addition to restrictions under the Third Amended and Restated Credit Agreement and Secured Debentures which prohibit dividends while amounts remain outstanding thereunder.

6. CAPITALIZATION OF THE COMPANY

6.1 Equity

The authorized share capital of the Company consists of: (i) an unlimited number of Shares; and (ii) preferred shares issuable in series to be limited in number to an amount equal to not more than one half of the issued and outstanding Shares at the time of issuance of such preferred shares (the "**Preferred Shares**"). As of the date hereof, there were 109,941,241 Shares issued and outstanding and nil Preferred Shares issued and outstanding.

Each Share entitles the holder thereof to one vote at all meetings of shareholders other than meetings at which only the holders of another class or series of shares are entitled to vote. Each Share entitles the holder thereof to receive any dividends declared by the Board and the remaining property of the Company upon dissolution subject to the rights of securities of the Company having priority over the Shares.

The Preferred Shares are issuable in series and each class of Preferred Shares has such rights, restrictions, conditions and limitations as the Board may from time to time determine. The holders of Preferred Shares are entitled, in priority to holders of Shares, to be paid rateably with holders of each other series of Preferred Shares the amount of accumulated dividends, if any, specified to be payable preferentially to the holders of such series and upon liquidation, dissolution or winding up of the Company, to be paid rateably with holders of each other series of Preferred Shares the amount, if any, specified as being payable to holders of such series. Unless required by law, the holders of Preferred Shares are not entitled to receive any notice of or attend any meeting of shareholders of the Company and shall not be entitled to vote at any such meeting.

The foregoing summary does not purport to be complete and is subject to, and is qualified in its entirety by, reference to the terms of the Company's articles of arrangement (as amended), which may be found on SEDAR at www.sedar.com.

6.2 Secured Debentures

For information on the Secured Debentures, see section 2.3.2 – Secured Debentures and Unsecured Debentures.

6.3 Prior Sales

The Company has not issued any Shares or securities convertible into Shares during the year ended December 31, 2014 other than (i) on March 24, 2014, the Company satisfied the total principal amount owing under the Unsecured Debentures in the amount of $26,552,000 by the issuance of a total of 8,493,143 Shares (see section 2.3.2 – Secured Debentures and Unsecured Debentures); (ii) on May 12, 2014, 50,000 stock options were exercised at an exercise price of $0.358 per Share resulting in the issuance of 50,000 Shares; (iii) on June 18, 2014, 100,000 stock options were exercised at an exercise price of $0.358 per Share resulting in the issuance of 100,000 Shares; (iv) on

August 1, 2014, the Company issued 16,666,667 Shares to Orange Capital pursuant to the Private Placement (see section 2.2 – Recent Developments); and (v) on August 7, 2014, the Company issued 13,000,000 Shares to directors and officers of the Company upon the exercise of 13,000,000 stock options with exercise prices of $0.358 and $0.403.

7. MARKET FOR SECURITIES

7.1 Common Shares

The Shares are listed for trading on the TSX under the symbol "TX". The following table sets out the high and low trading prices, and trading volumes of the Shares on the TSX for the period from January 1, 2014 to December 31, 2014.

Date	High	Low	Volume
Jan-14	$0.40	$0.28	346,316
Feb-14	$0.40	$0.34	1,165,490
Mar-14	$0.51	$0.38	1,257,034
Apr-14	$0.70	$0.47	1,920,791
May-14	$0.83	$0.62	5,725,294
Jun-14	$0.88	$0.74	3,678,625
Jul-14	$0.85	$0.67	2,804,851
Aug-14	$0.83	$0.70	2,449,072
Sep-14	$0.79	$0.70	718,861
Oct-14	$0.72	$0.62	757,903
Nov-14	$0.74	$0.64	10,005,581
Dec-14	$0.64	$0.35	1,245,621

7.2 Secured Debentures

The Secured Debentures are listed for trading on the TSX under the symbol TX.DB.B. The following table sets out the high and low trading prices and trading volumes of the Secured Debentures on the TSX for the period from January 1, 2014 to December 31, 2014.

Date	High	Low	Volume
Jan-14	$93.34	$83.75	4,886,000
Feb-14	$90.50	$86.50	439,000
Mar-14	$92.50	$89.25	4,472,000
Apr-14	$92.59	$91.08	14,902,000
May-14	$98.95	$92.25	19,251,000
Jun-14	$98.47	$97.20	1,271,000
Jul-14	$98.50	$97.51	9,571,000
Aug-14	$99.00	$98.26	710,000
Sep-14	$99.25	$98.25	785,000
Oct-14	$99.01	$98.00	1,395,000
Nov-14	$98.48	$96.82	4,072,000
Dec-14	$100.00	$80.00	21,324,000

7.3 Unsecured Debentures

The Unsecured Debentures were listed for trading on the TSX under the symbol TX.DB.C. until delisted on March 24, 2014 (see section 2.3.2. – Secured Debentures and Unsecured Debentures). The following table sets out the high and low trading prices and trading volumes of the Unsecured Debentures for the period from January 1, 2014 to March 24, 2014.

Date	High	Low	Volume
Jan-14	$34.00	$25.00	746,000
Feb-14	$34.00	$24.00	175,638
Mar-14	$30.00	$23.32	362,941

8. DIRECTORS AND OFFICERS

8.1 Directors and Officers

The following is a list of the directors and executive officers of the Company, and information regarding each individual including province or state of residence, position with the Company, date of appointment to the position with the Company and his or her principal occupation during the past five years. As of December 31, 2014, the directors of the Company were Jordan L. Bitove, Douglas C. Brown, Joon-Won Cho, Herbert Fraser Clarke, Dean T. MacDonald, Sean D. McMaster and Peggy Mulligan. All directors hold office until the next annual meeting of shareholders or until their successors are elected or until the earlier of their death, resignation or removal.

Name and Province /State of Residence	**Position (Original Date of Election or Appointment)**	**Principal Occupation (past 5 years)**
Jordan L. Bitove(I)(C) Ontario, Canada	Director (November 4, 2013)	Partner, Spectrum Capital Partners
Douglas C. Brown Ontario, Canada	Director (August 8, 2005)	President & Managing Director, Newport Private Wealth Inc. (a subsidiary of the Company until December 2010)
Joon-Woo Cho(I)(A)(C) New York, United States	Director (September 16, 2014)	Research Analyst, Orange Capital LLC
Herbert Fraser Clarke(I)(A) Ontario, Canada	Director (October 2, 2013)	President and Chief Executive Officer, Massage Addict Incorporated
Dean T. MacDonald Ontario, Canada	Director (December 1, 2008) Chief Executive Officer (December 1, 2008) President (December 1, 2008 to December 17, 2014)	President & Chief Executive Officer, Tuckamore Capital Management Inc.
Sean D. McMaster(I)(A)(C) Alberta, Canada	Director (September 16, 2014)	Retired (previously Executive Vice President, Stakeholder Relations and General Counsel, TransCanada Corporation)
Peggy Mulligan(I)(A) Ontario, Canada	Director (September 16, 2014)	Corporate Director, Ontario Power Generation Inc. ("**OPG**")
Adrian Montgomery Ontario, Canada	President (December 17, 2014) Chief Investment Officer (January 4, 2010)	Chief Investment Officer & President, Tuckamore Capital Management Inc.
Keith Halbert Ontario, Canada	Chief Financial Officer (December 1, 2009)	Chief Financial Officer, Tuckamore Capital Management Inc.

Notes:

(I) Denotes an "independent" director within the meaning of National Instrument 52-110 ("**NI 52-110**").

(A) Denotes member of the audit committee of the Board (the "**Audit Committee**") as of December 31, 2014.

(C) Denotes member of the compensation and corporate governance committee of the Board as of December 31, 2014.

As at the date of this AIF, the directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or discretion over an aggregate of 16,574,437 Shares, representing 15.1% of the issued and outstanding Shares.

8.2 Audit Committee and Audit Fees

8.2.1 Audit Committee Charter

See Appendix "A".

8.2.2 Composition of the Audit Committee

As of December 31, 2014, the members of the Audit Committee were Messrs. Clarke (chair), Cho and McMaster and Ms. Mulligan. All members of the Audit Committee are independent and financially literate within the meaning of NI 52-110. The relevant education and experience of each Audit Committee member is set out below.

Mr. Clarke is the President and Chief Executive Officer of Massage Addict Incorporated. Previously, Mr. Clarke has held the positions of President and Chief Executive Officer of Herbal Magic, 57146 Newfoundland & Labrador Inc. and Hair Club for Men. Prior to this role, Mr. Clarke was an Associate at CCC Investment Banking and an Associate at Ernst & Young LLP. Mr. Clarke holds a Bachelor of Commerce (Honours) from Memorial University and is a designated Chartered Accountant and Certified Financial Analyst.

Mr. Cho is Research Analyst at Orange Capital, LLC, a New York-based value-oriented investment fund that invests across the capital structure. Prior to joining Orange Capital, LLC in 2010, Mr. Cho was Vice President in the Hedge Fund Strategies Group of Goldman Sachs where he was responsible for evaluating and investing with event-driven hedge funds. Mr. Cho began his career in the Investment Banking Division at Goldman Sachs advising companies in the telecom and media and technology sectors. He holds a Bachelor of Arts degree in Economics and Mathematical Methods in Social Science from Northwestern University.

Until February 2014, Mr. McMaster was Executive Vice President, Stakeholder Relations and General Counsel at TransCanada Corporation with overall responsibility for the management of TransCanada's legal and regulatory affairs, stakeholder relations, internal audit, external communications, compliance and corporate security. He was a director of Bruce Power, the entity that operates North America's largest nuclear facility. Mr. McMaster graduated from the University of Windsor in 1981 with a Bachelor of Arts (Honours) in Economics and Political Science. He received his Bachelor of Laws from the University of Alberta in 1989 and his Masters of Law from York University in 2006. Mr. McMaster obtained the Charter Director (C. Dir.) designation from the Directors College (a joint venture of McMaster University and the Conference Board of Canada) in 2010.

Ms. Mulligan has been a member of the board of OPG since 2005. Ms.Mulligan serves or has served on OPG's Human Resources & Compensation (Chair), Governance, RiskOversight (Past Chair) and Audit Committees. Ms. Mulligan is also currently a member of the boards of CapitalPower Corporation, Energent Incorporated (a privately owned energy management solution company) and the Ladies Professional Golf Association where she serves as chair of the audit committees. Ms. Mulligan previously served as Executive Vice President and Chief Financial Officer of Valeant Pharmaceuticals International, Inc. (formerly Biovail Corporation) from 2008 until December 2010. From 2005 until 2007 she served as Executive Vice President, Chief Financial Officer and Treasurer of Linamar Corporation, with accountability for financial reporting and compliance, enterprise risk management, treasury, taxation, mergers and acquisitions and internal audit. Ms. Mulligan holds a Bachelor of Math (Honours) from the University of Waterloo, has held the designation of Chartered Accountant since 1981 and was named a Fellow of the Institute of Chartered Accountants of Ontario in 2003.

8.2.3 External Auditor Service Fees

Audit Fees

Ernst & Young LLP, the Company's external auditor, and auditor of certain Operating Partnerships, charged the Company $916,250 for audit services related to the financial year ended December 31, 2014. Ernst & Young LLP charged $839,160 for audit services related to the financial year ended December 31, 2013.

Audit-Related Fees

During the financial years ended December 31, 2014 and December 31, 2013, Ernst & Young LLP, charged the Company $90,625 and $180,600 respectively, for services that are reasonably related to the performance of audit-related services but are not reported above in "Audit Fees".

Tax Fees

During the financial years ended December 31, 2014 and December 31, 2013, Ernst & Young LLP charged the Company $35,000 and $34,500 respectively, for tax related services.

8.3 Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company:

(a) is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Tuckamore) that,

(i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;

(b) a director or executive officer of any company (including Tuckamore) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

For the purposes of the paragraphs above, "order" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No director or executive officer of the Company or shareholder holding sufficient securities of the Company to affect materially the control of the Company has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

8.4 Conflicts of Interest

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest between the Company or any of its subsidiaries and any director or officers of the Company or of a subsidiary of the Company, except that certain directors and officers of the Company serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director and their duties as a director or officer of such other companies. See section 10 - Interest of Management and Others in Material Transactions.

9. LEGAL PROCEEDINGS

(a) A statement of claim has been filed by a former employee of Tuckamore alleging breach of contract, wrongful dismissal, defamation, and intentional interference with economic relations. The claim is for an amount of $6,500. The claim is being defended and management is of the opinion that the claim is without merit. The Company has also made a counterclaim.

(b) A statement of claim has been filed by a seller of a minority position in a subsidiary of Tuckamore in connection with the calculation of income as related to a promissory note forming part of the transaction. The claim is being defended and management feels the claim is without merit. The Company has also made a counterclaim.

(c) In March 2015, the Company was advised by Brompton Corp. ("**Brompton**") that Brompton has received notices of reassessment from the Canada Revenue Agency (the "**CRA**") in which the CRA has denied the deduction to Brompton of certain non-capital losses and other tax attributes in computing Brompton's income for the 2010 to 2014 taxation years. Tuckamore has been notified by Brompton that, in view of its interest in mitigating any potential penalties or interest amounts associated with these taxes, Brompton proposes to pay some or all of the taxes assessed while continuing to challenge these assessments, and that Brompton is seeking indemnification in the amount of $4,044,387.17 from Tuckamore Holdings LP, representing approximately 40% of its taxes, losses or costs, pursuant to certain agreements entered into by Tuckamore Holdings LP prior to the sale of its interest in Brompton.

Tuckamore previously announced, in September 2014, that it had been notified by Brompton that in the event that Brompton is subject to taxes assessed by CRA or incurs losses or costs associated with the CRA's review, it would be seeking indemnification for approximately 40% of these taxes, losses or costs pursuant to agreements entered into by Tuckamore Holdings LP. Tuckamore Holdings LP, a wholly-owned subsidiary of Tuckamore, previously held approximately 40% of the outstanding shares of Brompton. Tuckamore Holdings LP sold its interest in Brompton in September 2011.

Tuckamore continues to monitor the situation involving Brompton, including its alternatives in respect of Brompton's claim for indemnification. The Company intends to follow and participate in the conduct of any negotiations, objections, appeals or other tax-related proceedings relating to the periods during which it was, indirectly, a shareholder of Brompton and to exercise all rights and remedies that it may have in respect of such claims by Brompton against Tuckamore Holdings LP for indemnification. The Company has not provided for any amount with respect to this matter in its consolidated audited financial statements for the year ending December 31, 2014.

(d) On August 11, 2014, the Company announced that it had reached an agreement with the Consortium whereby Access agreed to withdraw all proceedings before the OSC in respect of the Private Placement (see section 2.2 – Recent Developments).

10. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed under section 2.2 – Recent Developments in connection with the Private Placement, no director, executive officer of the Company or any shareholder beneficially holding or controlling, directly or indirectly, more than 10% of the issued and outstanding Shares, or any of their respective associates or affiliates, had any material interest, direct or indirect, in any transaction during the financial year ended December 31, 2014 or in any proposed transaction that has materially affected or will materially affect the Company.

Employee loans made to employees and former employees of the Company and its subsidiaries were outstanding in the amount of $1.05 million. In accordance with the terms and conditions of the loans, the loans are interest bearing and used to fund the purchase of Shares of the Company or to refinance such purchases and are secured by a pledge of the Shares.

11. TRANSFER AGENT, REGISTRAR AND TRUSTEE

Canadian Stock Transfer Company Inc., located at 320 Bay Street, 3rd floor, Toronto, Ontario, M5H 4A6, is the transfer agent and registrar of the Shares.

BNY Trust Company of Canada, located at 320 Bay Street, 11th Floor, Toronto, Ontario, M5H 4A6 is the registrar and debenture trustee of the Secured Debentures.

12. MATERIAL CONTRACTS

The following lists the material contacts that the Company has entered into during its most recently completed financial year or before its most recently completed financial year and are still in effect:

(a) the Arrangement Agreement (see section 2.2 – Recent Developments);

(b) the Subscription Agreement (see section 2.2 – Recent Developments);

(c) the Rights Plan (see 2.2 – Recent Developments);

(d) the Third Amended and Restated Credit Agreement (see section 2.3.1 – Third Amended and Restated Credit Agreement); and

(e) the Secured Trust Indenture (see section 2.3.2 – Secured Debentures and Unsecured Debentures).

Copies of the foregoing documents are available on the Company's profile on SEDAR at www.sedar.com.

13. INTEREST OF EXPERTS

The Company's independent external auditors are Ernst & Young LLP, 222 Bay Street, P.O. Box 251, Toronto, Ontario M5K 1J7. Ernst & Young LLP has audited the consolidated financial statements of the Company for the financial year ended December 31, 2014, and has issued an audit report to the Company with respect to such financial statements. Ernst & Young LLP is independent of the Company in accordance with the requirements of the Ontario Institute of Chartered Accountants.

14. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular prepared in connection with the Company's most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for its financial year ended December 31, 2014.

APPENDIX A

AUDIT COMMITTEE CHARTER

<u>**Purpose and Authority**</u>

The primary function of the audit committee of the Company (the "**Audit Committee**") is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to shareholders and others, the systems of internal controls that management and the Board have established, and the Company's and its subsidiaries' audit and financial reporting process.

The external auditor's ultimate responsibility is to the Board and the Audit Committee, as representatives of the Company and its shareholders.

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities outlined in this Charter. The Audit Committee is given full access to Management and records and its external auditor(s) as necessary to carry out these responsibilities.

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties as outlined in this Charter, and to set the compensation for any such advisors so employed by the Audit Committee.

The Board may at any time amend or rescind any of the provisions hereof or cancel them entirely with or without substitution.

<u>**Composition and Qualification**</u>

The Audit Committee will be comprised of three (3) or more directors of the Board, all of whom will be an independent director, in conformity with the laws, regulations and listing requirements to which the Company is subject.

Each member of the Audit Committee will serve only at the pleasure of the Board and, in any event, only so long as he or she shall be an independent director. The Board may fill vacancies in the Audit Committee by appointment, and if and whenever a vacancy shall exist in the Audit Committee, the remaining members may exercise all of its powers so long as a quorum remains in office.

All members of the Audit Committee shall be financially literate and thus be able to read and understand a set of financial statements that have a level of complexity of accounting that is comparable to that of the Company's financial statements. At least one (1) member of the Audit Committee will have accounting or related financial expertise. This could include past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including serving as or having served as a chief executive officer, chief financial officer or other senior officer of an entity with financial oversight responsibilities.

<u>**Responsibilities and Duties**</u>

To fulfill its responsibilities and duties, the Audit Committee shall:

(a) review and recommend to the Board for approval:

- the Company's financial statements and its Annual Information Form, Management's Discussion & Analysis reports, news releases and any earnings guidance and all public disclosure documents containing audited or unaudited financial information before release;
- recommendations of the external auditor(s) for strengthening internal controls to ensure that processes are in place to mitigate or eliminate risks associated with financial reporting and cash management for the Company as well as the response of Management to these recommendations;

- ensure adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the disclosure referred to above, and periodically assess the adequacy of these procedures.

(b) review with Management all significant variances between comparative reporting periods in any financial statements of the Company, including variances in forecasted financial information from actual results which may have been included in any public documents of the Company;

(c) meet periodically with the external auditor(s) and at least once a year meet in confidence with the external auditor(s) and report to the Board on such meetings including the nature of the external auditor's recommendations and assume direct responsibility for overseeing the work of the external auditor(s);

(d) make recommendations to the Board as to the reappointment or appointment of the external auditor(s) and the nomination and remuneration of the external auditor(s) on an annual basis;

(e) if a change in external auditor(s) is proposed, the Audit Committee will inquire as to the reasons for the change, including the response of the incumbent external auditor(s) and inquire as to the qualifications of the newly proposed external auditor(s) before making its recommendation to the Board;

(f) (i) review the audit plans of the external auditor(s) and report to the Board any significant reservations the Audit Committee may have or the external auditor(s) have expressed with respect to such arrangements or scope; and (ii) review with the external auditor(s) the degree of coordination of those plans and inquire as to the extent the planned audit scope can be relied upon to detect weaknesses in internal controls;

(g) (i) review Management programs and policies regarding the adequacy of internal controls over the accounting and financial reporting systems within the Company; (ii) meet with appropriate officers of the Company to discuss the effectiveness of the internal control and information security procedures established for the Company; and (iii) receive reports relating to the control environment in connection with the trading activities of the Company;

(h) receive reports relating to compliance by the Corporation with the legal and regulatory obligations applicable to it;

(i) (i) review Management plans regarding any changes in accounting practices or policies and the financial impact thereof; and (ii) review any major areas of Management judgement and estimates that have significant effect upon the financial statements of the Company;

(j) review with Management, the external auditor(s) and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a materially adverse effect upon the financial position or operating result of the Company, and the manner in which these matters have been disclosed in the financial statements of the Company;

(k) review and pre-approve any non-audit related services provided by the external auditor(s) of the Company and the fees related thereto. Review and confirm the independence of the external auditor(s) by obtaining statements from such external auditor(s) on relationships between the external auditor(s) and the Company, including non-audit services, and discussing the relationships with the external auditor(s);

(l) review the basis and amount of the external auditor's fees in light of the number and nature of reports issued by the external auditor(s), the quality of the internal controls, the size, complexity and financial condition of the Company and the extent of support provided to the external auditor(s) and to review all other non-audit fees of the external auditor(s) and other accounting firms;

(m) report annually to the shareholders, describing the Audit Committee's composition, responsibilities and how they were discharged, and any other information required;

(n) perform other activities related to this charter as requested by the Board;

(o) establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, including a violation of the Company's Code of Business Ethics;

(p) review and assess the adequacy of the Audit Committee Charter annually, requesting Board approval for proposed changes;

(q) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor(s);

(r) confirm to the Board annually that all responsibilities outlined in this Charter have been carried out; and

(s) evaluate the Audit Committee's and individual members' performance on a regular basis.

Meetings

A quorum for the transaction of business of the Audit Committee shall consist of two members of the Audit Committee.

The Audit Committee will meet on a quarterly basis and will hold special meetings if circumstances require. The time of the meetings shall be determined by the Audit Committee.

The time and place for meetings of the Audit Committee and procedures at such meetings shall be determined from time to time by the Audit Committee. The Secretary of the Company shall, upon request of the Chairman of the Audit Committee, any member of the Audit Committee, the external auditor(s) , the Chief Executive Officer or Chief Financial Officer of the Company, call a meeting of the Audit Committee by letter, telephone, fax, telegram or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

Any member of the Audit Committee may participate in the meeting of the Audit Committee by means of conference telephone or other communication equipment and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

The Audit Committee shall keep minutes of its meetings which shall be submitted to the Board.

One of the members of the Audit Committee shall be elected as its Chairman by the Audit Committee or the Board and the Audit Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

The Audit Committee may invite such officers and employees of the Company and the external auditor(s) of the Company as it may see fit, from time to time, to attend meetings of the Audit Committee.