

case of fraud, in which case there will be no time limit for the Purchaser to make a demand or claim against the Corporation in respect thereof; or

- (b) any inaccuracy or misrepresentation in any representation or warranty set forth in Section 3.01 or any contravention of, non-compliance with or other breach, on or before the Closing Date, of the GD Teaming Agreement:
 - (i) unless and until the aggregate of all Claims exceeds \$4.0 million, and then only to the extent that such aggregate exceeds \$2.0 million; or
 - (ii) in excess of the Indemnification Escrow Amount;

other than, in all cases, any Claim attributable to fraud.

(3) Subject to the provisions of this Article 7, each Shareholder, severally and not jointly, will indemnify and save harmless the Purchaser Indemnitees from and against all Claims incurred by the Purchaser directly or indirectly resulting from any breach of any covenant of that Shareholder contained in this Agreement or resulting from any inaccuracy or misrepresentation in any representation or warranty of that Shareholder set forth in Section 3.02 or in a certificate delivered pursuant to Section 5.01(b), as the case may be.

(4) Notwithstanding any of the other provisions of this Agreement, no Shareholder will be liable to any Purchaser Indemnitee in respect of:

- (a) any inaccuracy or misrepresentation of a Shareholder set forth in Section 3.02 or in a certificate delivered pursuant to Section 5.01(b), unless any claim or demand by the Purchaser against that Shareholder is given to that Shareholder prior to December 21, 2008; or
- (b) any inaccuracy or misrepresentation of a Shareholder set forth in Section 3.02 or in a certificate delivered pursuant to Section 5.01(b), in an amount for that Shareholder in excess of that Shareholder's pro rata share of the Indemnification Escrow Amount;

other than, in all cases, a Claim based on the absence of, or deficiency in, the title of that Shareholder to its Shares or a Claim attributable to fraud.

(5) The Indemnification Escrow Amount shall be the Purchaser's sole recourse in the event of a successful Claim made by the Purchaser against the Corporation or the Shareholders except in respect of liability of any Shareholder for a Claim based on the absence of, or deficiency in, the title of that Shareholder to its shares, or liability under any Claim attributable to fraud of that Shareholder.

(6) For greater certainty, the Indemnification Escrow Amount is available to the Purchaser to satisfy Claims against the Corporation which the Purchaser is entitled to make pursuant to Sections 7.02(1) and (2). For the purposes of this Agreement, but without any derogation from the monetary limits set forth in Section 7.02(2), any Claim incurred by the Corporation (including any direct Claim or any Claim arising from a Third Party Proceeding) pursuant to Section 7.02 will be deemed to be a Claim incurred by the Purchaser.

7.03 **Indemnification by the Purchaser**

(1) Subject to the provisions of this Article 7, the Purchaser will indemnify collectively and save harmless the Shareholders and the Corporation and the directors, officers, employees and agents of the Shareholders and of the Corporation (the “Shareholder Indemnitees”) from and against all Claims incurred by the Shareholders or the Corporation directly or indirectly resulting from any breach of any covenant of the Purchaser contained in this Agreement or from any inaccuracy or misrepresentation in any representation or warranty set forth in Section 3.03.

(2) Notwithstanding any of the other provisions of this Agreement, the Purchaser will not be liable to the Shareholder Indemnitees in respect of any Claim directly or indirectly resulting from any inaccuracy or misrepresentation in any representation or warranty set forth in Section 3.03, unless any claim or demand by the Shareholders against the Purchaser with respect thereto is given to the Purchaser by the Shareholders prior to December 21, 2008 and the Purchaser will not be liable in respect of any Claim unless and until the aggregate of all such Claims exceeds \$4.0 million and then only to the extent that such aggregate exceeds \$2.0 million and only up to a maximum amount equal to \$40 million, other than, in all cases, any Claim attributable to fraud.

7.04 **Third Party Indemnification**

Promptly after the assertion by any third party of any claim, demand or notice thereof (a “**Third Party Proceeding**”) against any person entitled to indemnification under this Agreement (the “**Indemnitee**”) that results or may result in the incurrence by such Indemnitee of any Claims for which such Indemnitee would be entitled to indemnification pursuant to this Agreement, such Indemnitee will promptly notify the party from whom such indemnification is or may be sought (the “**Indemnitor**”) of such Third Party Proceeding. Such notice will also specify with reasonable detail (to the extent the information is reasonably available) the factual basis for the Third Party Proceeding, the amount claimed by the third party, or if such amount is not then determinable, a reasonable estimate of the likely amount of the claim by the Third Party. The failure to promptly provide such notice will not relieve the Indemnitor of any obligation to indemnify the Indemnitee, except to the extent such failure prejudices the Indemnitor. Thereupon, the Indemnitor will have the right, upon written notice (the “**Defence Notice**”) to the Indemnitee within 30 days after receipt by the Indemnitor of notice of the Third Party Proceeding (or sooner if such Third Party Proceeding so requires) to conduct, at its own expense, the defence against the Third Party Proceeding in its own name or, if necessary, in the name of the Indemnitee provided that: (a) the Indemnitor acknowledges and agrees in the Defence Notice that as between the Indemnitor and the Indemnitee, it is liable to pay for all Claims arising from or relating to such Third Party Proceeding and (b) the Indemnitor provides to the Indemnitee adequate security (approved by the Indemnitee acting reasonably) from time to time in respect of such Claims. The Defence Notice will specify the counsel the Indemnitor will appoint to defend such Third Party Proceeding (the “**Defence Counsel**”), and the Indemnitee will have the right to approve the Defence Counsel, which approval will not be unreasonably withheld. Any Indemnified Party will have the right to employ separate counsel in any Third Party Proceeding and/or to participate in the defence thereof, but the fees and expenses of such counsel will not be included as part of any Claims incurred by the Indemnified Party unless (i) the Indemnitor failed to give the Defence Notice, including the acknowledgement and agreement to be set out therein within the prescribed period, (ii) such Indemnified Party has received an opinion of counsel, reasonably acceptable to the Indemnitor, to the effect that the interests of the Indemnified

Party and the Indemnitor with respect to the Third Party Proceeding are sufficiently adverse to prohibit the representation by the same counsel of both parties under applicable ethical rules, or (iii) the employment of such counsel at the expense of the Indemnitor has been specifically authorized by the Indemnitor. The party conducting the defence of any Third Party Proceeding will keep the other party apprised of all significant developments and will not enter into any settlement, compromise or consent to judgment with respect to such Third Party Proceeding unless the Indemnitor and the Indemnitee consent, which consent will not be unreasonably withheld.

7.05 **Duty to Mitigate and Subrogation**

(1) Nothing in this Agreement in any way restricts or limits the general obligation at law of the Indemnified Party to mitigate any damages which it may suffer or incur by reason of the breach by an Indemnifying Party of any representation, warranty, covenant or obligation of the Indemnifying Party under this Agreement. The amount of any and all Claims under this Article 7 will be determined after taking into account any actual tax cost incurred (grossed up for such tax cost) or net of (i) the amount of any tax benefits actually realized by the Indemnified Party arising from the deduction of any such Claims, and (ii) any amounts actually recovered by the Indemnified Party under insurance policies, indemnities, reimbursement arrangements or similar agreements with respect to such Claims. The Indemnified Party shall take reasonable steps to enforce such recovery.

(2) The Indemnified Party shall, to the extent permitted by law, subrogate its rights relating to any third party claim to the Indemnifying Party and shall make or permit to be made all counterclaims and implead and permit to be impleaded all other Persons as may be reasonably required by the Indemnifying Party, the whole at the cost and expense of the Indemnifying Party.

7.06 **Exclusive Remedy**

From and after the completion of the sale and purchase of Shares herein contemplated, except in the case of a breach of Section 6.02(2) or (3), the rights of indemnity set forth in this Article 7 are the sole and exclusive remedies of each party in respect of any inaccuracy or misrepresentation in any representation or warranty, or breach of covenant or other obligation by another party under this Agreement. Accordingly, the parties waive, from and after the Closing, any and all rights, remedies and claims that one party may have against another party, whether at law, under any statute or in equity (including claims for contribution or other rights of recovery arising under any Environmental Law, claims for breach of contract, breach of representation and warranty, negligent representation and all claims for breach of duty), or otherwise, directly or indirectly, relating to the provisions of this Agreement or the transaction contemplated by this Agreement other than equitable remedies in the case of a breach of Section 6.02(3), as expressly provided for in this Article 7 and other than those arising with respect to any fraud. This Article 7 will remain in full force and effect in all circumstances and will not be terminated by any breach (fundamental, negligent or otherwise) by any party of its representations, warranties, covenants or other obligations under this Agreement or under any Closing document or by any termination or rescission of this Agreement by any party.

7.07 **Adjustment to Purchase Price**

All amounts payable by the Corporation or the Shareholders to a Purchaser Indemnitee pursuant to Article 7 will be deemed to be a decrease to the Purchase Price. All amounts

payable by the Purchaser to a Shareholder Indemnitee pursuant to Article 7 will be deemed to be an increase to the Purchase Price.

ARTICLE 8 - GENERAL

8.01 Further Assurances

Each of the Shareholders, the Corporation and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

8.02 Time of the Essence

Time is of the essence of this Agreement.

8.03 Costs and Expenses

Each of the Shareholders, the Corporation and the Purchaser will pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

8.04 Public Announcements

Subject to disclosure as may be required by law or regulation of any government authority to which the Corporation, any Shareholder or the Purchaser submits, no publicity release or announcement concerning the discussions between the parties hereto, this Agreement, or the transactions contemplated hereby between the parties hereto will be issued by any party without the prior approval of the form and substance thereof by each other party. In the event that disclosure is required by law or regulation of any government authority to which the Corporation, any Shareholder or the Purchaser submits, to the extent practicable in the circumstances, the parties will consult in advance concerning the disclosure and the party proposing to make disclosure shall provide drafts for consideration and prior approval by the other parties with respect to any required press release or other disclosure. For greater certainty, the foregoing shall not prevent the Corporation from publicly commenting upon the transaction contemplated hereby on a general basis without reference to the Purchaser.

8.05 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties hereto.

8.06 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

8.07 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

8.08 **Assignment**

This Agreement may be assigned by any Offeree Shareholder or by the Purchaser without the consent of the Purchaser or the Offeree Shareholders as the case may be, to an Affiliate of such Offeree Shareholder or the Purchaser, provided that such Affiliate enters into a written agreement to be bound by the provisions of this Agreement in all respects and to the same extent as such Offeree Shareholder or the Purchaser is bound and provided that such Offeree Shareholder or the Purchaser will continue to be bound by all the obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that such Affiliate fails to do so. The Purchaser may also assign this Agreement without the consent of the Offeree Shareholders to the Senior Lenders (as defined in Section 1.01 (Take Back Notes)) and the Bridge Lenders (as defined in Section 1.01 (Take Back Notes)), or their respective agents, as collateral security for the obligations of the Purchaser to the Senior Lenders and the Bridge Lenders in respect of credit facilities made available by them to the Purchaser, or in respect of notes issued to them by the Purchaser, as the case may be. Following the Closing Date, any Offeree Shareholder may assign any of its rights or obligations under this Agreement in connection with any dissolution or winding-up of such Offeree Shareholder only with the prior written consent of the Purchaser, which consent will not be unreasonably withheld.

8.09 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

To Richard L'Abbé and 1062455 Ontario Inc.

c/o Richard L'Abbé
1902 – 3590 Rivergate Way
Ottawa, Ontario K1V 1V6

To Growthworks Canadian Fund Ltd.

275 Slater Street, Suite 900
Ottawa, Ontario K1P 5H9

Facsimile No.: (613) 567-3979

Attention: Richard Charlebois
Vice President, Investments

with a copy to Growthworks Canadian Fund Ltd.

20 Queen Street West, Suite 3504
Toronto, Ontario M5H 3R3

Facsimile No.: (416) 929-0901

Attention: Les Lyall
Senior Vice-President

To Schroder Canada and Schroder UK

c/o Schrodgers Venture Managers (Canada) Limited
Suite 3000, 1800 McGill College Ave.
Montreal, Quebec H3A 3J6

Facsimile No.: (514) 861-2495

Attention: Paul S. Echenberg

with a copy to Stikeman Elliott LLP:

40th Floor, 1155 René Levesque West
Montreal, QC H3B 3V2

Facsimile No.: (514) 397-3222

Attention: André Roy

and with a copy to:

Schroder Ventures Holdings Limited
111 Strand Street
London WC2R 0AG

Facsimile No.: (44) 207 240 5346

Attention: Gerard Lloyd

To the Corporation:

Med-Eng Systems Inc.
2400 St. Laurent Blvd.
Ottawa, Ontario K1G 6C4

Facsimile No.: (613) 739-3345

Attention: Danny Osadca, President and CEO

with a copy to:

McCarthy Tétrault LLP
Barristers & Solicitors
Suite 1400, 40 Elgin Street
Ottawa, ON K1P 5K6

Facsimile No.: (613) 563-9386

Attention: Robert D. Chapman

To the Purchaser:

Allen-Vanguard Corporation
5459 Canotek Road
Ottawa, Ontario
K1J 9M3

Facsimile No.: (613) 749-8981

Attention: David Luxton
President and CEO

with a copy to:

Lang Michener LLP
50 O'Connor Street
Suite 300
Ottawa, Ontario
K1P 6L2

Facsimile No.: (613) 231-3191

Attention: Elisabeth Preston

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on

the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

8.10 Remedies Cumulative

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

8.11 No Third Party Beneficiaries

This Agreement is solely for the benefit of :

- (a) the Shareholders and the Corporation, and their respective heirs, executors, administrators, other legal representatives, successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement, and
- (b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Corporation and the Shareholders under this Agreement;

and this Agreement will not be deemed to confer upon or give to any other person any remedy, claim, liability, reimbursement, cause of action or other right. The Corporation appoints the Purchaser as the trustee for the Purchaser Indemnitees of the covenants of indemnification of the Corporation with respect to such Purchaser Indemnitees as specified in this Agreement and the Purchaser accepts such appointment. The Purchaser appoints the Offeree Shareholders as the trustee for the Shareholder Indemnitees of the covenants of indemnification of the Purchaser with respect to such Shareholder Indemnitees specified in this Agreement and the Shareholders accept such appointment.

8.12 Governing Law

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

8.13 Attornment

For the purpose of all legal proceedings this Agreement shall be deemed to have been made and performed in the Province of Ontario and the courts of the Province of Ontario shall have jurisdiction to entertain any action arising under this Agreement. The Corporation, each Shareholder and the Purchaser each hereby attorns to the jurisdiction of the courts of the Province of Ontario.

8.14 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

[Balance of this page intentionally left blank.]

8.15 **Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission in PDF format will be as effective as delivery of a manually executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties have executed this Agreement.

Allen-Vanguard Corporation

By: 
Name: DAVID LUSSON
Title: PRESIDENT + CEO

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada)

Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

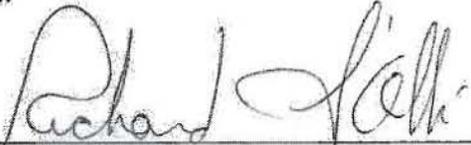
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Allen-Vanguard Corporation

By: _____
Name:
Title:



Richard L'Abbé

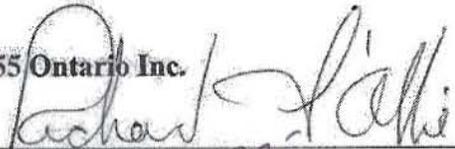
Schroder Venture Managers (Canada)

Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

1062455 Ontario Inc.

By: _____
Name: RICHARD L'ABBE
Title: PRESIDENT



Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

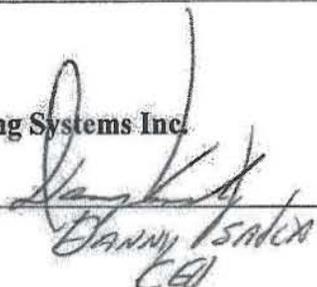
By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: _____
Name: DANNY ISADIA
Title: CEO



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Allen-Vanguard Corporation

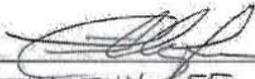
By: _____
Name:
Title:

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: 
Name: TIMOTHY LEE
Title: SVP INVESTMENTS

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada)

Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

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IN WITNESS WHEREOF the parties have executed this Agreement.

Allen-Vanguard Corporation

By: _____
Name:
Title:

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

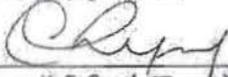
Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada) Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: 
Name: CATHERINE LYNG
Title: DIRECTOR

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

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IN WITNESS WHEREOF the parties have executed this Agreement.

Allen-Vanguard Corporation

By: _____
Name:
Title:

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada)

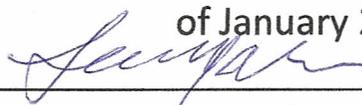
Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

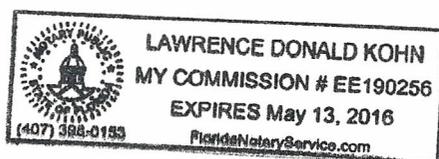
Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: Gerard Lloyd
Name: GERARD LLOYD
Title: Director

This is Exhibit "B" referred to in the
affidavit of Paul Echenberg
sworn before me, this 19th day
of January 2015.



A Commissioner for Taking Affidavits



THIS ESCROW AGREEMENT is made as of the 17th day of September, 2007

BETWEEN:

Allen-Vanguard Corporation, a corporation incorporated under the laws of the Province of Ontario (the “Purchaser”),

- and -

Offeree Shareholders (as defined below),

- and -

Med-Eng Systems Inc., a corporation incorporated under the laws of the Province of Ontario (the “Corporation”),

- and -

Computershare Trust Company of Canada, a trust company governed by the laws of Canada (the “Escrow Agent”).

RECITALS:

- A. The Parties other than the Escrow Agent are parties to a share purchase agreement dated as of August 3, 2007 (the “**Share Purchase Agreement**”), under which the Purchaser agreed to purchase all of the issued and outstanding shares in the capital of the Corporation (as defined in Section 1.1).
- B. Pursuant to a Shareholder Agreement made as of the 19th day of April, 2000 between the Corporation and all Shareholders (as defined below), the Shareholders are obliged to sell their shares of the Corporation in accordance with the Share Purchase Agreement.
- C. Pursuant to Section 2.04 of the Share Purchase Agreement, the Purchaser and the Offeree Shareholders agreed to enter into an escrow agreement to provide for the deposit of funds and Take Back Notes (as defined herein) receivable by all Shareholders as part of the Purchase Price (as defined in the Share Purchase Agreement) into escrow to be held as security for (i) any Claims for indemnification made by the Purchaser for itself or on behalf of a Purchaser Indemnitee pursuant to Section 7.02 or 7.04 of the Share Purchase Agreement, and (ii) any post-Closing downwards adjustment in the Estimated Working Capital under Section 2.03 of the Share Purchase Agreement, all in accordance with the terms and conditions of this Agreement.
- D. The foregoing recitals are representations and statements of fact by the Purchaser, the Offeree Shareholders and the Corporation, and not by the Escrow Agent.

THEREFORE, the parties agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the words and terms listed below have the meanings set out below.

“Agreement” means this escrow agreement, including all schedules, and all amendments or restatements, as permitted, and references to “Article” or “Section” mean the specified Article or Section of this Agreement.

“Authorized Investment” means a Canadian dollar denominated investment in any: (a) short-term direct obligations of, or unconditionally guaranteed by, the federal government of Canada, any agency thereof, or any Province of Canada, or (b) short-term guaranteed investment certificates of deposit or other evidences of indebtedness issued by, or money market fund maintained by, any bank listed on Schedule I to the *Bank Act* (Canada).

“Business Day” means any day of the week other than a Saturday or Sunday, or a statutory or civic holiday observed in Toronto, Ontario.

“Claims” means all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), claims and demands of whatever nature or kind including all reasonable legal fees and disbursements incurred by a Purchaser Indemnitee directly or indirectly resulting from any breach of any covenant of the Corporation or any Shareholder contained in the Share Purchase Agreement or from any inaccuracy or misrepresentation in any representation or warranty of the Corporation set forth in Section 3.01 of the Share Purchase Agreement or of any Shareholder set out in Section 3.02 or in a certificate delivered pursuant to Section 5.01(b) of the Share Purchase Agreement.

“Corporation” means Med-Eng Systems Inc., a corporation governed by the laws of the Province of Ontario.

“Escrow Funds” means, collectively, the Indemnification Escrow Fund and the Working Capital Escrow Fund.

“Indemnification Escrow Amount” has the meaning ascribed thereto in Section 2.1(a)(i).

“Indemnification Escrow Fund” has the meaning ascribed thereto in Section 2.1(a)(i).

“Notice of Claim” has the meaning ascribed thereto in Section 4.1(b).

“Objection Notice” has the meaning ascribed thereto in Section 4.1(c).

“Offeree Shareholders” means Richard L’Abbé, 1062455 Ontario Inc., Growthworks Canadian Fund Ltd., Schroder Canada and Schroder UK.

“Parties” means, collectively, all of the Purchaser, the Shareholders, the Corporation and the Escrow Agent, and **“Party”** means any one of them.

“**Purchaser Indemnitee**” means the Purchaser and the directors, officers, employees and agents of the Purchaser.

“**Schroder Canada**” means Schroder Venture Managers (Canada) Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLPL3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6, limited partnerships formed under the laws of Quebec.

“**Schroder UK**” means Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, a limited partnership formed under the laws of England and on behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc).

“**Shareholders**” means all of the shareholders of the Corporation as set forth in Schedule 4.1(f).

“**Share Purchase Agreement**” has the meaning ascribed thereto in Recital A.

“**Take Back Notes**” means the Fixed Rate Secured Subordinated Notes, due December 31, 2007, of the Purchaser issued to the Offeree Shareholders as contemplated in the Share Purchase Agreement.

“**Working Capital Escrow Amount**” has the meaning ascribed thereto in Section 2.1(a)(ii).

“**Working Capital Escrow Fund**” has the meaning ascribed thereto in Section 2.1(a)(ii).

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Consent** – Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) **Currency** – Unless otherwise specified, all references to money amounts are to lawful currency of Canada.
- (c) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.
- (d) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (e) **Including** – Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.

- (f) **No Strict Construction** – The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (g) **Number and Gender** – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (h) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.
- (i) **Statutory references** – A reference to a statute includes all regulations and rules made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.
- (j) **Time** – Time is of the essence in the performance of the Parties' respective obligations. All references to a time in this Agreement shall be Toronto time.
- (k) **Time Periods** – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

1.3 **Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties relating to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

1.4 **Schedules**

The schedules to this Agreement, listed below, are an integral part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule 2.3	Form of Investment Direction
Schedule 4.1(f)	Proportionate Interests of the Shareholders and Mailing Addresses for Distributions
Schedule 4.2	Form of Distribution Direction

ARTICLE 2

ESTABLISHMENT OF ESCROW; INVESTMENT OF ESCROW FUNDS

2.1 Deposit of Escrow Amount; Escrow Fund

- (a) The amounts set forth below will be deposited by the Shareholders with the Escrow Agent in cash or in Take Back Notes measured by the principal amount thereof or in a combination of cash and Take Back Notes, on or about the date hereof. The Escrow Agent shall acknowledge receipt of such amounts by delivering to the Parties a written receipt executed by the Escrow Agent.
- (i) \$40,000,000 (the “**Indemnification Escrow Amount**”); the Indemnification Escrow Amount, as (i) increased by any interest earned or accrued on the cash portion thereof further to the Authorized Investments made in accordance with Section 2.3, and (ii) reduced by any distributions made in accordance with Section 4.1, is referred to herein as the “**Indemnification Escrow Fund**”; and
- (ii) \$3,000,000 (the “**Working Capital Escrow Amount**”); the Working Capital Escrow Amount, as (i) increased by any interest earned or accrued on the cash portion thereof further to the Authorized Investments made in accordance with Section 2.3, and (ii) reduced by any distributions made in accordance with Section 4.2, is referred to herein as the “**Working Capital Escrow Fund**”.
- (b) All amounts received in cash by the Escrow Agent upon payment of interest and principal under the Take Back Notes shall be held by the Escrow Agent in place of the Take Back Notes in accordance with the terms hereof.
- (c) The Offeree Shareholders may from time to time deposit cash with the Escrow Agent in substitution, in whole or in part, for Take Back Notes, such amount of cash to be equal to the aggregate principal amount of such Take Back Notes plus interest accrued thereon to the date of deposit of such cash.

2.2 Appointment of Escrow Agent

The Offeree Shareholders and the Purchaser hereby appoint the Escrow Agent as escrow agent, and the Escrow Agent hereby accepts such appointment and agrees to act as escrow agent and to hold, safeguard and disburse each of the Escrow Funds in accordance with the terms and conditions of this Agreement.

2.3 Investment of Escrow Fund

The Escrow Agent shall invest the cash portion of Indemnification Escrow Fund and Working Capital Escrow Fund from time to time in such Authorized Investments as may be specified by the Offeree Shareholders pursuant to a written direction delivered by the Offeree Shareholders substantially in the form of Schedule 2.3. If the Escrow Agent has not at any time received such written direction in respect of any of the Escrow Funds, such Escrow Funds shall be held in a segregated interest-bearing cash account to be held by the Escrow Agent at a Bank listed on Schedule I of the Bank Act (Canada); provided however that such Escrow Funds shall not be commingled with any other Escrow Fund. The Escrow Agent is authorized to liquidate in accordance with its customary procedures any portion of the applicable Escrow Funds consisting of investments to provide for payments required to be made under this Agreement. The Escrow Agent shall have no responsibility or liability for any diminution of any of the Escrow Funds resulting from any Authorized Investment made in accordance with this Section 2.3, including any losses on any investment liquidated prior to maturity in order to make a payment required hereunder.

2.4 Interest

- (a) Interest earned in respect of the Escrow Funds shall be for the benefit of the Party to whom such Escrow Funds, or a portion thereof, is distributed pro rata to such distributed amount.
- (b) Each of the Shareholders shall be required to recognize and include as income in its applicable Tax Returns, and pay any applicable Tax arising in respect of, its proportionate share of any interest earned or accrued in respect of each Escrow Fund further to the Authorized Investments made in accordance with Section 2.3; provided however that no amount shall be credited by the Escrow Agent to any of the Shareholders on account of interest earned or accrued in respect of any of the Escrow Funds until a distribution is made out of the applicable Escrow Fund in accordance with this Agreement.

ARTICLE 3 DUTIES OF ESCROW AGENT; FEES; REMOVAL OR RESIGNATION OF ESCROW AGENT

3.1 Duties and Liabilities of the Escrow Agent

- (a) The Escrow Agent and its officers, directors, employees, agents and successors and assigns shall have no duties or responsibilities other than those expressly set forth in this Agreement, and shall have no liability or responsibility arising under any other agreement, including any agreement referred to in this Agreement, to which the Escrow Agent is not a party, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent.
- (b) The Escrow Agent shall not be liable for any action taken or omitted by it, or any action suffered by it to be taken or omitted, in good faith, and in the exercise of its own best judgment, and shall not be held liable for any error in judgment made in

good faith, unless it is proved that the Escrow Agent was negligent or engaged in wilful misconduct.

- (c) Subject to Section 3.1(b), the Escrow Agent shall be entitled to: (i) rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof, and (ii) act in reliance upon any instrument or signature believed by it to be genuine and may assume that the person purporting to make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so.
- (d) The Escrow Agent may retain legal counsel, accountants, engineers, appraisers, other experts, agents, agencies and advisors as may be reasonably required for the purpose of discharging its duties or determining its rights under this Agreement, and the Escrow Agent shall not be held liable or responsible for the misconduct of any of them. Subject to Section 3.1(b), the Escrow Agent shall incur no liability if it acts, or does not act, in accordance with the opinion and instruction of such legal counsel. The reasonable costs of such services shall be added to and be part of the Escrow Agent's fee hereunder.
- (e) In the event of any disagreement between the other Parties hereto resulting in adverse claims or demands being made in connection with any of the Escrow Funds or in the event that the Escrow Agent is in doubt as to what action (if any) it should take hereunder in connection with any of the Escrow Funds, the Escrow Agent shall be entitled, at its discretion, to refuse to comply with any demands or claims on it, as long as such disagreement shall continue, and in so refusing the Escrow Agent may make no delivery or other disposition of any asset involved herein or affected hereby, and in so doing the Escrow Agent shall not be or become liable in any way or to any other Party for its failure or refusal to comply with such conflicting demands or adverse claims, and shall be entitled to continue so to refrain from acting and so to refuse to act until the Escrow Agent shall have received (i) a final non-appealable order of a court of competent jurisdiction directing delivery of such Escrow Funds, or (ii) a written agreement executed by the Offeree Shareholders and the Purchaser directing delivery of such Escrow Funds, in which event the Escrow Agent shall disburse such Escrow Funds in accordance with such order or agreement.
- (f) All payments made from either of the Escrow Funds shall be subject to any withholding or other requirements of any applicable Laws in force at the time of the payment.
- (g) Subject to Section 3.1(b), the Escrow Agent shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of any instrument deposited with it, or for the form or execution of such instrument, or for the identity, authority or right of any Person executing or depositing any such instrument.

- (h) The Escrow Agent shall not be required to take notice of any default or to take any action with respect to such default involving any expense or liability, unless notice in writing of such default is delivered to the Escrow Agent in accordance with Section 5.1(f) and unless the Escrow Agent is indemnified, in a manner satisfactory to it, against such expense or liability.
- (i) The Escrow Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement. Such documentation must not require the exercise of any discretion or independent judgment on the part of the Escrow Agent.
- (j) Each other Party hereby represents to the Escrow Agent that any account to be opened by, or interest to held by, the Escrow Agent in connection with this Agreement, for or to the credit of such Party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such Party hereto agrees to complete and execute forthwith a declaration in the Escrow Agent's prescribed form as to the particulars of such third party.
- (k) Subject to Section 3.1(b), no provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur financial liability in the performance of its duties or the exercise of any of its rights or powers.
- (l) The Escrow Agent shall retain the right not to act and shall, subject to Section 3.1(b), not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Escrow Agent, in its sole reasonable judgment, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Escrow Agent, in its reasonable judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then the Escrow Agent shall have the right to resign on ten days written notice to the other parties to this Agreement, or such shorter period as agreed to by the parties to this Agreement, notwithstanding the provisions of Section 3.3(a) of this Agreement, provided (i) that the Escrow Agent's written notice shall describe the circumstances of such non-compliance; (ii) that if such circumstances are rectified to the Escrow Agent's satisfaction within such ten day period, then such resignation shall not be effective.
- (m) The Parties acknowledge that the Escrow Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (i) to provide the services required under this agreement and other services that may be requested from time to time;
- (ii) to help the Escrow Agent manage its servicing relationships with such individuals;
- (iii) to meet the Escrow Agent's legal and regulatory requirements; and
- (iv) if Social Insurance Numbers are collected by the Escrow Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Escrow Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Escrow Agent shall make available on its website or upon request, including revisions thereto. Further, each party agrees that it shall not provide or cause to be provided to the Escrow Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

- (n) Upon the Escrow Agent's delivery of the Indemnification Escrow Amount and the Working Capital Escrow Amount in accordance with the provisions of this Agreement, the Escrow Agent shall be automatically and immediately released from all obligations under this Agreement to any party hereto and to any other person with respect to the Indemnification Escrow Amount and the Working Capital Escrow Amount.
- (o) Subject to Section 3.1(b), the Escrow Agent will not be liable to any of the other Parties hereunder for any action taken or omitted to be taken by it under or in connection with this Agreement. Under no circumstances will the Escrow Agent be liable for any special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages hereunder, including any loss of profits, whether foreseeable or unforeseeable.

3.2 Fees, Costs and Expenses of the Escrow Agent

As full compensation for its services rendered under this Agreement, the Escrow Agent shall be entitled to remuneration in accordance with the Schedule of Fees provided by the Escrow Agent and executed by the Corporation and the Escrow Agent. The Escrow Agent shall be reimbursed for all reasonable out-of-pocket expenses or disbursements incurred or made by the Escrow Agent in the performance of its duties hereunder (except to the extent such expenses or disbursements were made or incurred as a result of the negligence or wilful misconduct of the Escrow Agent). All fees, expenses or disbursements payable under this Section 3.2 shall be paid by the Corporation. The Escrow Agent shall invoice the Corporation in arrears in respect of such fees, expenses and disbursements. Any amount owing under this Section and unpaid 30 days after request for such payment, will bear interest from the expiration of such 30 days at a rate per

annum equal to the then current rate charged by the Escrow Agent, payable on demand. The foregoing section shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent.

3.3 Resignation or Removal of the Escrow Agent

- (a) The Escrow Agent may resign from its position as escrow agent and be discharged from all further duties and liabilities hereunder upon thirty days' written notice delivered to the Offeree Shareholders and the Purchaser, or such shorter notice as the Parties may agree. The Escrow Agent may be removed from its office as escrow agent by the Offeree Shareholders and the Purchaser upon 30 days' joint written notice delivered (by the Offeree Shareholders and the Purchaser) to the Escrow Agent, or such shorter notice as the Parties may agree. Upon any discharge or removal, the Escrow Agent shall deliver the Escrow Funds by certified cheque as jointly directed by the Offeree Shareholders and the Purchaser, and shall execute such further assurances and documents as are required by the Offeree Shareholders and the Purchaser in connection with such transition.
- (b) In the event of the resignation or removal of the Escrow Agent, the Offeree Shareholders and the Purchaser shall jointly appoint a successor escrow agent on terms and conditions substantially identical to the terms and conditions of this Agreement.

3.4 Indemnification of the Escrow Agent

The Shareholders and the Purchaser shall be jointly and severally liable to indemnify the Escrow Agent, its officers, directors, employees and agents and hold them harmless from and against any and all loss, liability, damage, cost and expense of any nature incurred by the Escrow Agent arising out of or in connection with this Agreement or with the administration of its duties hereunder, including but not limited to, reasonable attorneys' fees and other costs and expenses of defending or preparing to defend against any claim of liability, unless and except to the extent such loss, liability, damage, cost and expense shall be caused by the breach by the Escrow Agent of its obligations under this Agreement or by the Escrow Agent's negligence, bad faith or wilful misconduct. The foregoing indemnification and agreement to hold harmless shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent.

ARTICLE 4 DISTRIBUTIONS FROM ESCROW FUNDS

4.1 Distributions out of the Indemnification Escrow Fund

- (a) If a Purchaser Indemnitee is entitled to indemnification in accordance with Section 7.02 or 7.04 of the Share Purchase Agreement for a Claim incurred by a Purchaser Indemnitee, the Purchaser on behalf of such Purchaser Indemnitee shall

be entitled, subject to the requirements and limitations described herein and in the Share Purchase Agreement, to draw upon the Indemnification Escrow Fund for the amount of such Claim.

- (b) From time to time (subject to the time and other limitations set forth in the Share Purchase Agreement), the Purchaser on behalf of the Purchaser Indemnitees may give written notice of any Claim for indemnification arising under Section 7.02 or 7.04 of the Share Purchase Agreement (a **“Notice of Claim”**) to the Offeree Shareholders and the Escrow Agent. The Notice of Claim shall set out a reasonably detailed description of the basis for the Claim, including the provision(s) of the Share Purchase Agreement giving rise to the Claim and the aggregate amount of the Claim.
- (c) The Offeree Shareholders shall have a period of 30 days after receipt of the Notice of Claim within which to object thereto by delivery to the Purchaser and the Escrow Agent of a written notice (an **“Objection Notice”**) setting forth the reasons for the objection.
- (d) If the Offeree Shareholders do not deliver an Objection Notice within 30 days of receipt of a Notice of Claim, then the dollar amount of the Claim claimed in the Notice of Claim shall be deemed established for all purposes of this Agreement and the Share Purchase Agreement and, at the end of such 30 days’ period, the Escrow Agent shall pay such amount to the Purchaser from the Indemnification Escrow Fund. The Escrow Agent shall pay such amount in the form of Take Back Notes plus interest accrued thereon in accordance with their terms until all Take Back Notes have been delivered from the Indemnification Escrow Fund before any payments are made in cash. The Escrow Agent shall not, and shall not be required to, inquire into or consider whether a Notice of Claim complies with the requirements of the Share Purchase Agreement.
- (e) If the Offeree Shareholders deliver an Objection Notice within 30 days of receipt of a Notice of Claim, then the Escrow Agent shall make payment of the non-disputed portion of the Notice of Claim as provided in Section 4.1(d) above and shall make payment with respect to the disputed portion of the Notice of Claim only in accordance with (i) joint written instructions of the Purchaser and the Offeree Shareholders, or (ii) a final non-appealable order of a court of competent jurisdiction. The Escrow Agent shall act on any such court order without further inquiry or question.
- (f) On December 21, 2008, the Indemnification Escrow Fund shall be reduced by the value (if any) of any Claims for indemnification made under Sections 7.02 and 7.04 of the Share Purchase Agreement which remain pending as of such date, and the Escrow Agent shall distribute the remaining amount to the Shareholders (in the proportions set forth on Schedule 4.1(f)) on, or as soon as possible after, such date. Any amount remaining in the Indemnification Escrow Fund after all Claims for indemnification made under Sections 7.02 and 7.04 of the Share Purchase Agreement are resolved shall be distributed by the Escrow Agent to the

Shareholders (in the proportions set forth on Schedule 4.1(f)) as soon as possible after such resolution.

- (g) For greater certainty, the aggregate liability of the Shareholders and the Company with respect to any and all Claims made under Section 7.02 or 7.04 of the Share Purchase Agreement shall not exceed \$40,000,000, plus interest earned or accrued further to the Authorized Investments made in accordance with Sections 2.3 and 2.4(a) hereof and the aggregate amount of any distributions made by the Escrow Agent to the Purchaser under this Section 4.1 shall in no event exceed \$40,000,000, plus interest earned or accrued further to the Authorized Investments made in accordance with Sections 2.3 and 2.4(a) hereof.

4.2 Distributions out of the Working Capital Escrow Fund

- (a) If the Purchaser becomes entitled, pursuant to Section 2.03 of the Share Purchase Agreement, to all or a portion of the Working Capital Escrow Amount, then the Offeree Shareholders and the Purchaser agree to execute and deliver to the Escrow Agent a joint written direction, substantially in the form of Schedule 4.2, authorizing the Escrow Agent to pay such amount to the Purchaser from the Working Capital Escrow Fund. The Escrow Agent shall, as soon as possible following the receipt of such joint written direction, without further inquiry or question, pay such amount to the Purchaser from the Working Capital Escrow Fund. The Escrow Agent shall pay such amount in the form of Take Back Notes plus accrued interest thereon in accordance with their terms to the full extent of Take Back Notes available before any portion of the payment is made in cash.
- (b) If any amount is remaining in the Working Capital Escrow Fund after all payments required to be made to the Purchaser pursuant to Section 2.03 of the Share Purchase Agreement have been made, then the Offeree Shareholders and the Purchaser agree to execute and deliver to the Escrow Agent a joint written direction, substantially in the form of Schedule 4.2, authorizing the Escrow Agent to pay such remaining amount to the Shareholders from the Working Capital Escrow Fund (in the proportions set forth on Schedule 4.1(f)). The Escrow Agent shall, as soon as possible following the receipt of such joint written direction, without further inquiry or question, pay such amount to the Shareholders from the Working Capital Escrow Fund (in the proportions set forth on Schedule 4.1(f)).

ARTICLE 5 GENERAL

5.1 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a “Notice”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery, or by facsimile):

- (a) in the case of a Notice to the Purchaser, at:

Allen-Vanguard Corporation
5459 Canotek Road
Ottawa, Ontario
K1J 9M3

Facsimile No.: (613) 749-8981

Attention: David Luxton
President and CEO

with a copy to:

Lang Michener LLP
50 O'Connor Street
Suite 300
Ottawa, Ontario
K1P 6L2

Facsimile No.: (613) 231-3191

Attention: Elisabeth Preston

- (b) in the case of Richard L'Abbé and 1062455 Ontario Inc., to Richard L'Abbé, at:

c/o Richard L'Abbé
1902 – 3590 Rivergate Way
Ottawa, Ontario K1V 1V6

- (c) to Growthworks Canadian Fund Ltd.

275 Slater Street, Suite 900
Ottawa, Ontario K1P 5H9

Facsimile No.: (613) 567-3979

Attention: Richard Charlebois
Vice President, Investments

with a copy to Growthworks Canadian Fund Ltd.

20 Queen Street West, Suite 3504
Toronto, Ontario M5H 3R3

Facsimile No.: (416) 929-0901

Attention: Les Lyall
Senior Vice-President

(d) to Schroder Canada and Schroder UK, at
c/o Schrodgers Venture Managers (Canada) Limited
Suite 3000, 1800 McGill College Ave.
Montreal, Quebec H3A 3J6

Facsimile No.: 514-861-2495

Attention: Paul S. Echenberg

with a copy to Stikeman Elliott LLP:

40th Floor, 1155 René Levesque West
Montreal, QC H3B 3V2

Facsimile No.: 514-397-3222

Attention: André Roy

and with a copy to:

Schroder Ventures Holdings Limited
111 Strand Street
London WC2R 0AG

Facsimile No.: (44) 201 240 5346

Attention: Gerard Lloyd

(e) to the Corporation, at:

Med-Eng Systems Inc.
2400 St. Laurent Blvd.
Ottawa, Ontario K1G 6C4

Facsimile No.: 613-739-3345

Attention: Danny Osadca, President and CEO

with a copy to:

McCarthy Tétrault LLP
Barristers & Solicitors
Suite 1400, 40 Elgin Street
Ottawa, ON K1P 5K6

Facsimile No: 613-563-9386

Attention: Robert D. Chapman

(f) to the Escrow Agent, at:

Computershare Trust Company of Canada
100 University Avenue
9th Floor, North Tower
Toronto, Ontario M5J 2Y1

Facsimile No. 416-981-9777

Attention: Manager, Corporate Trust

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Parties in accordance with the provisions of this Section.

5.2 Assignment

Any Offeree Shareholder may assign any of its rights or obligations under this Agreement to any Affiliate of such Offeree Shareholder. Any Offeree Shareholder may assign any of its rights or obligations under this Agreement in connection with any dissolution or winding-up of such Offeree Shareholder only with the prior written consent of the Purchaser, which consent shall not be unreasonably withheld. Each of the Corporation and the Purchaser may assign and transfer this Agreement and any of its rights and obligations under this Agreement, in whole or in part, to an Affiliate or to any one subsequent purchaser of the Corporation or the Purchaser or any of their respective Affiliates. Other than as expressly provided in this Section 5.2, neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by any Party without the prior written consent of the other Parties.

5.3 Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation, dissolution or winding-up of any Party) and permitted assigns.

5.4 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

5.5 Further Assurances

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

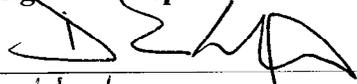
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5.6 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

IN WITNESS OF WHICH the Parties have executed this Agreement.

Allen-Vanguard Corporation

By: 
Name: *David Luxton*
Title: *President and CEO*

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada)

Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

Computershare Trust Company of Canada

By: _____
Name:
Title:

By: _____
Name:
Title:

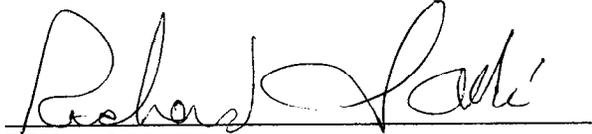
5.6 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

IN WITNESS OF WHICH the Parties have executed this Agreement.

Allen-Vanguard Corporation

By: _____
Name:
Title:

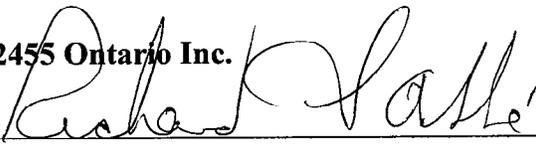

Richard L'Abbe

Schroder Venture Managers (Canada)

Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

1062455 Ontario Inc.

By: 
Name:
Title:

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: 
Name: BLAIR GEDDES
Title: CFO

Computershare Trust Company Of Canada

By: _____
Name:
Title:

By: _____
Name:
Title:

5.6 Execution and Delivery

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IN WITNESS OF WHICH the Parties have executed this Agreement.

Allen-Vanguard Corporation

By: _____
Name:
Title:

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By:  _____
Name: Timothy Lee
Title: SVP Investments

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada)

Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

Computershare Trust Company Of Canada

By: _____
Name:
Title:

By: _____
Name:
Title:

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Allen-Vanguard Corporation

By: _____
Name:
Title:

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada)

Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: Cathy
Name: CATHERINE LYNG
Title: DIRECTOR

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

Computershare Trust Company Of Canada

By: _____
Name:
Title:

By: _____
Name:
Title:

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Allen-Vanguard Corporation

By: _____
Name:
Title:

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada)

Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: Edward Lloyd
Name: BERARD LLOYD
Title: Director

Computershare Trust Company Of Canada

By: _____
Name:
Title:

By: _____
Name:
Title:

5.6 Execution and Delivery

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Allen-Vanguard Corporation

By: _____
Name:
Title:

Richard L'Abbé

1062455 Ontario Inc.

By: _____
Name:
Title:

**Growthworks Canadian Fund Ltd., by its
manager, GrowthWorks WV Management Ltd.**

By: _____
Name:
Title:

Med-Eng Systems Inc.

By: _____
Name:
Title:

Schroder Venture Managers (Canada)

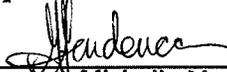
Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

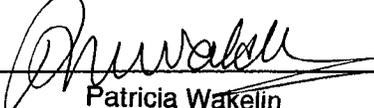
By: _____
Name:
Title:

Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

Computershare Trust Company Of Canada

By: 
Name: **Michelle Mendonca**
Title: **Professional, Corporate Trust**

By: 
Name: **Patricia Wakelin**
Title: **Professional, Corporate Trust**

SCHEDULE 4.1(f)**Proportionate Interests of the Shareholders
and Mailing Addresses for Distributions**

Last name	First name	Address	No. of Shares	%
1062455 Ontario Inc.		3590 Rivergate Way, Apt. 1902 Ottawa, ON K1V 1V6	9,533,022	19.3365958481%
485189 Ontario Ltd.		3 Sherk Crescent Kanata, ON K2K 2L5	55,000	0.1115609270%
6223087 Canada Inc.		48 Park Avenue Ottawa, ON K2P 1B2	249,891	0.5068740294%
Abou Hamad	Remonde	29-1900 Marquis Avenue Ottawa, ON K1J 8J2	710	0.0014401501%
Allan Ross Holdings Inc.		Apt #1 - 130 Rideau Terrace Ottawa, ON K1M 0Z2	60,000	0.1217028295%
Almstedt	Brent	38 Hobart Crescent Nepean, ON K2H 5S4	35,000	0.0709933172%
Angeles	Johnny	3444 Southgate Road Ottawa, ON K1V 9P9	500	0.0010141902%
Anomira Software Corporation		54 Dalecroft Crescent Nepean, ON K2G 5V8	30,000	0.0608514147%
Baril	Maurice	1387 Micmac Street Ottawa, ON K1H 7N4	50,000	0.1014190246%
Barker	Lori	789 Moffat Street South Pembroke, ON K8A 3Y3	500	0.0010141902%
Batten	David	1075 Rocky Harbour Crescent Ottawa, ON K1V 1V3	11,500	0.0233263757%
Beach	Shirley	Box 2 Douglas, ON K0J 1S0	2,000	0.0040567610%
Bechthold	Grant	52 Stonemeadow Drive Kanata, ON K2M 2K2	21,000	0.0425959903%
Beckett	Janet	88 Kiwita Inamo Golden Lake, ON K0J 1X0	50	0.0001014190%
Behrens-Nicholls	Vanessa	9 Pemberton Crescent Nepean, ON K2G 4Y7	1,900	0.0038539229%
Beland	Robert	63-120 Sullivan Avenue Ottawa, ON K2G 1V2	150	0.0003042571%

Last name	First name	Address	No. of Shares	%
Belanger	Monique	3511 Gendron Street Hammond, ON K0A 2A0	10,900	0.0221093474%
Bennett	Alan	5263 Chute Lake Road Kelowna, BC V1W 4K8	53,000	0.1075041660%
Bogomolov	Vadim	225 Alvin Road, Apt 314 Ottawa, ON K1K 4H6	1,100	0.0022312185%
Boivin	Pierre	Bell Centre, 1275 St. Antoine Street, 7th Floor Montreal, QC H3C 5L2	325,000	0.6592236597%
Briggs	Jamie	300 B. Clendenan Avenue Toronto, ON M6P 2X3	4,100	0.0083163600%
Brown	Peter	2023 Keldon Crescent Gloucester, ON K1B 4Y1	1,300	0.0026368946%
Bueley	Doug	1373 Old Carriage Lane RR1 Box 2020 Winchester, ON K0C 2K0	14,200	0.0288030030%
Burgess	Patricia	1133 Boundary Road Pembroke, ON K8A 7T9	100	0.0002028380%
Burke	Peter	701 Weston Drive Ottawa, ON K1G 1V7	11,000	0.0223121854%
Burkhart	William	4519 Aries Drive El Paso, TX 79924 USA	1,270	0.0025760432%
Butterfield	Tony	243 Belmont Court Ogdensburg, NY 13669 USA	50	0.0001014190%
Cale	Sean	1788 Belval Crescent Orleans, ON K1C 6C5	3,500	0.0070993317%
Campbell	Barbara	118 Sampson Street Ottawa, ON K1V 7L4	100	0.0002028380%
Carson	John	39 Steeple Hill Cres Nepean, ON K2R 1G2	81,800	0.1659215242%
Carter	Gerry	61 Hunterswood Crescent Ottawa, ON K1G 5V7	3,000	0.0060851415%

Last name	First name	Address	No. of Shares	%
Casey	Mark	31 Chickasaw Crescent Kanata, ON K2M 1M6	4,000	0.0081135220%
Chartrand	Frank	1105 Lasalle Road Cornwall, ON K6H 2W2	1,800	0.0036510849%
Chen	Gerald	9-518 Lisgar Street Ottawa, ON K1R 5H5	474	0.0009614524%
Cheng	Ming	1827 Belcourt Blvd. Ottawa, ON K1C 4N3	2,280	0.0046247075%
Clay	Alex	926 Rand Avenue Ottawa, ON K1V 6X4	23,300	0.0472612654%
Colledan	Marc	503-1150 Fisher Avenue Ottawa, ON K1Z 8M6	1,000	0.0020283805%
Copp	Sandra	6908 Fourth Line Road North Gower, ON K0A 2T0	5,000	0.0101419025%
Corriveau	Anthony	8599 Round Lake Road Pembroke, ON K8A 6W8	58,432	0.1185223289%
Crigger	Eldine	RR#4 Pembroke, ON K8A 6W5	1,000	0.0020283805%
Crossman	Danny	21 Canadian Drive, RR#4, Ashton, ON K0A 1B0	70,000	0.1419866344%
Crupi	Vince	2 Heathwood Gate Nepean, ON K2G 6Y5	1,272,380	2.5808707695%
Csathy	Thomas	13 Arlington Way Thornhill, ON L3T 3W9	331,160	0.6717184835%
Curridor	Guido	224 Langstaff Drive P.O. Box 136 Carp, ON K0A 1L0	75,000	0.1521285368%
Curry	Harry	811 Raglin Street South Renfrew, ON K7V 1S3	1,000	0.0020283805%
De Haan	Susan	4899 Beachburg Road, RR#1 Pembroke, ON K8A 6W2	600	0.0012170283%
de Wit	Stephan	912-315 Holmwood Ave. Ottawa, ON K1S 2R2	300	0.0006085141%

Last name	First name	Address	No. of Shares	%
De Angelis	Claudio	47 Ayton Lane Kanata, ON K2K 2H8	115,000	0.2332637565%
Dedman	Ross	49 Amberwood Crescent Ottawa, ON K2E 7C2	39,286	0.0796869560%
Delorme	Martin	6859 Rocque Street Orleans, ON K1C 1A3	9,400	0.0190667766%
Demers	Mario	6873 Twin Lakes Ave. Greely, ON K4P 1P1	105,000	0.2129799516%
Dickson	Christopher	69 Beddington Avenue Nepean, ON K2J 5N4	46,500	0.0943196928%
Dickson	Dean	335 Metcalfe Street, Apt. 7 Ottawa, ON K2P 1S5	420	0.0008519198%
Dickson	Kerrie	4424 Wildmint Square Ottawa, ON K1V 1N6	33,509	0.0679690019%
Dignard	Ron	13701 Grantley Road RR#1 Chesterville, ON K0C 1H0	15,000	0.0304257074%
Dionne	Jean-Philippe	44 Du Martin-Pecheur Gatineau, QC J9A 3A5	70,000	0.1419866344%
Dobbs	Kirk	26 Heritage Dr. Petawawa, ON K8H 3J3	935,431	1.8974099914%
Donais	Len	98 Summerwalk Place Ottawa, ON K2G 5Y4	10,000	0.0202838049%
Dore	Diane	1481 Roberval Avenue Orleans, ON K4A 2L9	27,855	0.0565005386%
Dorner	Susan	126 Kennevale Drive Nepean, ON K2J 3X7	2,470	0.0050100998%
Doyle	Denzil	3 Sherk Crescent Kanata, ON K2K 2L5	50,071	0.1015630396%
Doyle	Mike	54 Dalecroft Crescent Nepean, ON K2G 5V8	18,286	0.0370909657%
Dubois	Marc	225-3310 Southgate Road Ottawa, ON K1V 8X4	8,700	0.0176469103%
Dussoye	Sooren	40 Pennard Way Ottawa, ON K1T 4C1	1,000	0.0020283805%
Earey	Jonathan	5809 Queenscourt Crescent Manotick, ON K4M 1K3	102,000	0.2068948101%

Last name	First name	Address	No. of Shares	%
Elmaach	Ismail	3070 Phillip Road Ottawa, ON K4C 1A5	20,700	0.0419874762%
Estate of Marie-Lyne St. Hilaire		1094 Cote Street Rockland, ON K4K 1J6	920	0.0018661101%
Faust	Chris	279 Sweeney Road Potsdam, NY 13676 USA	20,000	0.0405676098%
Fortin	Jean	192 Parkgrove Drive Orleans, ON K1E 2T1	500	0.0010141902%
Foster	Michael	6056 Kaycourt Drive Osgoode, ON K0A 2W0	14,000	0.0283973269%
Fumerton	Dale	2406 County Road 18 RR #5 Kemptville, ON K0G 1J0	344	0.0006977629%
Gallant	Glen	21 Oakhurst Crescent Ottawa, ON K1B 4A5	76,975	0.1561345883%
Gawad	Sylvie	94 Shearer Crescent Kanata, ON K2L 3V6	4,920	0.0099796320%
Geddes	Blair	70 Kimbolton Crescent Kanata, ON K2K 2S4	320,830	0.6507653130%
Gingrich	Ken	207 Mohawk Avenue Waterloo, ON N2L 2T4	240,000	0.4868113179%
Goffin	Carol-Ann	32 Meadowlands Drive West Nepean, ON K2G 2R4	3,750	0.0076064268%
Goldberg	Colleen	19 Cameron Street Beachburg, ON K0J 1C0	500	0.0010141902%
Gopsill	Jacqueline	3617 River Road Manotick, ON K4M 1B4	1,950	0.0039553420%
Gower	Jon	19 Weatherly Drive Kanata, ON K2W 1A3	31,305	0.0634984513%
Green Avenue Ventures Inc.		C/O Barrs Service Centre, Graham Street Pakenham, ON K0A 2X0	130,971	0.2656590213%
GrowthWorks Canadian Fund Ltd.		c/o Mr. Richard Charlebois 275 Slater Street, Suite 900 Ottawa, ON K1P 5H9	6,130,606	12.4352016104%

Last name	First name	Address	No. of Shares	%
Guindon	Natalia	1378 Highgate Road Ottawa, ON K2C 2Y6	1,620	0.0032859764%
Hall	Sarah	122 Jessie Street, P.O. Box 235 Pakenham, ON K0A 2X0	2,500	0.0050709512%
Hallahan	Greg	23 Doucett Drive Carleton Place, ON K7C 4G3	118,395	0.2401501083%
Hamel	Eric	21 Gray Crescent Ottawa, ON K2K 3J5	6,108	0.0123893480%
Hart	Beata	152 Mcurdy Drive Ottawa, ON K2L 2Z6	15,525	0.0314906071%
Hartwig	Lorraine	663 Angle Street Pembroke, ON K8A 5E6	5,450	0.0110546737%
Harwood	Melinda	3 Cheryl Road, Unit 11 Ottawa, ON K2G 0V5	1,400	0.0028397327%
Hedge	Clint	13300 County Road, 13, RR#1 Winchester, ON K0C 2K0	9,350	0.0189653576%
Helman	Gilad	171 Bayswater Avenue Ottawa, ON K1Y 2G4	208	0.0004219031%
Henry	Mark	25 Zokol Crescent Kanata, ON K2K 2K4	27,060	0.0548879761%
Holmes	Chris	102 Tamblyn Crescent Kanata, ON K2L 3A4	1,200	0.0024340566%
Houde	Muriel	26 Summit Ave Deep River, ON K0J 1P0	1,000	0.0020283805%
Hoy	Ann	204 Elliott Dr. P.O. Box 227 Kemptville, ON K0G 1J0	5,000	0.0101419025%
Hubbard	Tammy	135 Johnstown Street Gouverneur, NY 13642 USA	380	0.0007707846%
Hudson	Dan	3617 River Road Manotick, ON K4M 1B4	12,900	0.0261661083%

Last name	First name	Address	No. of Shares	%
Hunter	Jonathan	1009 Dorothea Court Fredericksburg, VA 22401 USA	43,433	0.0880986499%
Jacques	Richard	402 Greber Blvd, Apt. #3 Gatineau, QC J8T 5R5	500	0.0010141902%
Jagdev	Parminder	712 Clearbrook Drive Nepean, ON K2J 5P1	3,000	0.0060851415%
Jamieson	Bill	211 Omstead-Jeffrey Lake Rd RR#1 Haley Station, ON K0J 1Y0	25,000	0.0507095123%
Jo-Ann Geddes Trust		70 Kimbolton Crescent Kanata, ON K2K 2S4	85,000	0.1724123418%
Johnson	Alison	171 Briston Private Ottawa, ON K1G 5R3	11,500	0.0233263757%
Jones	Craig	124 Copperwood Street Ottawa, ON K1C 7S2	500	0.0010141902%
Kalaam	Shaik	1049 Connery Avenue Ottawa, ON K1G 2N9	62,000	0.1257595905%
Kerr	Shannon	64 Grovenhurst Drive Nepean, ON K2G 6V9	1,770	0.0035902335%
Klinger	Angelika	2047 Dunnolie Cresent Kanata, ON K2W 1H5	4,475	0.0090770027%
Krueger	Bernard	202 Main St. N., Box 202 Chesterville, ON K0C 1H0	10,200	0.0206894810%
L'Abbe	Richard	3590 Rivergate Way, Apt. 1902 Ottawa, ON K1V 1V6	734,801	1.4904560134%
Lair	Michele	7 Erma Street Pembroke, ON K8A 0A4	25,000	0.0507095123%
Lariviere	Jeff	10368 French Settlement Road Mountain, ON K0E 1S0	31,520	0.0639345531%
Leach	Joyce	RR#3 Pembroke, ON K8A 6W4	2,200	0.0044624371%
Leask	Alex	100 Borga Crescent Ottawa, ON K1T 2E2	2,000	0.0040567610%

Last name	First name	Address	No. of Shares	%
Legault	Christina	49 Seguinbourg Road Casselman, ON K0A 1M0	300	0.0006085141%
Leron	Gwen	62 Pennard Way Ottawa, ON K1T 4C1	100	0.0002028380%
Lewis	Nic	401 Huron Avenue South Ottawa, ON K1Y 0X2	99,480	0.2017832913%
Li	Chunyao	24 Hemlo Crescent Kanata, ON K2T 1C7	3,500	0.0070993317%
Loch Isle Holdings Ltd.		61 Loch Isle Nepean, ON K2H 8G7	182,989	0.3711713177%
Logan	Peter	59 Bartley Crescent Nepean, ON K2J 1R9	5,000	0.0101419025%
Lottie	Cynthia	539 Old Northern Road Dekalb Junction, NY 13630 USA	100	0.0002028380%
Lukshis	Rob	7 Valerie Court Stittsville, ON K2S 1L2	5,000	0.0101419025%
MacIntyre	Jordan	1475 County Road 18 RR#1 Oxford Mills, ON K0G 1S0	18,200	0.0369165249%
Makris	Aris	8 Gleeson Way Nepean, ON K2J 5A2	620,367	1.2583403203%
Marchand	Paul	55 Riverbrook Road Nepean, ON K2H 7W7	15,000	0.0304257074%
McCann	Heather	1853 Featherstone Drive Ottawa, ON K1H 6P6	500	0.0010141902%
McCann	Mary Anne	51 Sebastopol Street Foymount, ON K0J 1W0	20	0.0000405676%
McDermid	Kim	2545 Cleroux Crescent Gloucester, ON K1W 1B6	21,300	0.0432045045%
McLaughlin	Angela	532 Nelson Street Pembroke, ON K8A 3P4	5,000	0.0101419025%
Miles	Fred	1988 Quincy Avenue Ottawa, ON K1J 6B5	30,000	0.0608514147%

Last name	First name	Address	No. of Shares	%
Miller	Mike	2104 River Road Manotick, ON K4M 1B4	2,270	0.0046044237%
Milne	John	13 Crossing Bridge Court Stittsville, ON K2S 1S2	1,000	0.0020283805%
Mitchell	Karen	206 Grey Fox Drive Carp, ON K0A 1L0	1,470	0.0029817193%
Mitchell	Lenore	2074 LeGrand Crescent Ottawa, ON K1E 3T5	600	0.0012170283%
Morales	Juan Carlos	7655 Main Street Grovetown, GA 30813- 1217 USA	3,455	0.0070080546%
Moran	Christopher Leigh	6575 Tooney Drive Ottawa, ON K1C 6G3	22,500	0.0456385611%
Munro	Andrew	11 Stikine Kanata, ON K2T 1H1	128,780	0.2612148397%
Murphy	Carol	P.O. Box 1067 Kemptville, ON K0G 1J0	1,730	0.0035090982%
Murphy	Colin	117 Ridgefield Crescent Nepean, ON K2H 6T4	5,700	0.0115617688%
Myles	Justin	6100 8th Line Carlsbad Springs, ON K0A 1K0	7,500	0.0152128537%
Norton	Barbara	C/O Barrs Service Centre, Graham Street Pakenham, ON K0A 2X0	64,786	0.1314106585%
Norton	Mark	C/O Barrs Service Centre, Graham Street Pakenham, ON K0A 2X0	90,000	0.1825542442%
O'Brien	John	963 Hare Avenue Ottawa, ON K2A 3J6	11,000	0.0223121854%
O'Meara	Debbie	601 Two Mile Trail Beachburg, ON K0J 1C0	20	0.0000405676%
Osadca	Danny	159 Grandview Road Ottawa, ON K2H 8B8	150,000	0.3042570737%
Paap	Stephen	2855 Andover Avenue Carlsbad, CA 92010 USA	2,450	0.0049695322%

Last name	First name	Address	No. of Shares	%
Pakenham Holdings Inc.		C/O Barrs Service Centre, Graham Street Pakenham, ON K0A 2X0	219,489	0.4452072057%
Palsson	Brian	19 Humphrey Way Kanata, ON K2L 2S9	20,000	0.0405676098%
Pantazopoulos	Theoe	3752 Twin Falls Place Ottawa, ON K1V 1W5	19,000	0.0385392293%
Patey	Darlene	RR #7 Pembroke, ON K8A 6W8	400	0.0008113522%
Phillips	Troy	78 Insmill Crescent Kanata, ON K2T 1G4	16,500	0.0334682781%
Polak	Zoran	20 McIntyre Street St. Catharines, ON L2S 3W9	10,000	0.0202838049%
Porteous	Jeff	5 Timothy Drive Arnprior, ON K7S 3L1	367	0.0007444156%
Presley	Shane	P.O. Box 41 6677 Willisbrook North Gower, ON K0A 2T0	3,500	0.0070993317%
Racine	Jill	19 Daillee Road Arnprior, ON K7S 3G8	1,000	0.0020283805%
Rafferty	Jacquie	29 Knudson Drive Kanata, ON K2K 1L6	608	0.0012332553%
Rice	James	214 Mart Circle Ottawa, ON K1K 2W9	3,000	0.0060851415%
Risdahl	Jennifer	86 Meadowbreeze Drive Kanata, ON K2M 2L9	1,000	0.0020283805%
Robichaud	Jean	57 rue de Braine Blainville, QC J7B 1Z2	61,291	0.1243214687%
Robillard	Angelita	306 Dalehurst Drive Nepean, ON K2G 4E4	7,000	0.0141986634%
Rodas	Ricardo	223 Duntroon Circle Ottawa, ON K1T 4C9	10,000	0.0202838049%
Roebathan	Michaela	507-40 The Driveway Ottawa, ON K2P 2C9	10,100	0.0204866430%
Roesler	Arawana	PO Box 226 Golden Lake, ON K0J 1X0	100	0.0002028380%

Last name	First name	Address	No. of Shares	%
Rose	Joseph	376 Bell Street Pembroke, ON K8A 2K5	266,350	0.5402591439%
Rose	Rita	376 Bell Street Pembroke, ON K8A 2K5	4,800	0.0097362264%
Rozon	Dave	538 Chartrand Street Russell, ON K4R 1G1	182,000	0.3691652494%
Ruddock	Dave	18 Sherk Crescent Kanata, ON K2K 2L3	18,325	0.0371700725%
Sarbutt	Katherine	388 Dufferin Street Carleton Place, ON K7C 3K5	11,590	0.0235089299%
Schlievert	Mildred	488 Pleasant Park Road Ottawa, ON K1H 5N1	10,300	0.0208923191%
Schroder Venture Managers (Canada) Limited		1800 McGill College Avenue, Suite 3000 Montreal, QC H3A 3J6	14,710,761	29.8390206249%
Schroders Ventures Holdings Limited		1800 McGill College Avenue, Suite 3000 Montreal, QC H3A 3J6	7,681,261	15.5805199611%
Scott	Ian	1276 Amesbrooke Drive Ottawa, ON K2C 2E9	600	0.0012170283%
Scott	Kenneth	8 Stonepath Cresent Stittsville, ON K2S 1S4	10,700	0.0217036713%
Scott	Shawn	1 Thornton Avenue - Apt 1 Ottawa, ON K1S 2R8	2,500	0.0050709512%
Semeniuk	Kevin	71 Farm Gate Crescent Ottawa, ON K2E 7N3	12,824	0.0260119514%
Sennema	Edward	1702 Smithers Crescent Orleans, ON K1C 4X3	40,000	0.0811352197%
Slobozianu	Magda	1841 Arizona Avenue Ottawa, ON K1H 6Z5	38,000	0.0770784587%
Soubliere	Jean Pierre	61 Loch Isle Nepean, ON H2H 8G7	90,000	0.1825542442%
Sparfel	William	Safedesign Apparel Ltd, 34 Torlake Road Toronto, ON M8Z 1B3	20,000	0.0405676098%
Stashick	Rose	11696 Lakeshore Drive P.O. Box 3037 Morrisburg, ON K0C 1X0	11,600	0.0235292137%

Last name	First name	Address	No. of Shares	%
Stephen Wayne Paap and Alison Bryce Paap Revocable Trust		2855 Andover Avenue Carlsbad, CA 92010 USA	32,884	0.0667012641%
Suvakov	Srdjan	1 Malden Square Ottawa, ON K1V 9T2	15,000	0.0304257074%
Tanguay	Joanne	1394 Plumber Avenue. Ottawa, ON K1K 4A9	4,000	0.0081135220%
Taylor	Susan	432 Valade Crescent Orleans, ON K4A 2W3	1,125	0.0022819281%
Terris	Sean	4 Cinnabar Way Stittsville, ON K2S 1Y4	2,000	0.0040567610%
The Aris Makris Family Trust		8 Gleeson Way Nepean, ON K2J 5A2	450,000	0.9127712211%
Thomas I. Csathy and Marianna Csathy		13 Arlington Way Thornhill Ontario	10,000	0.0202838049%
Timmis	Paul	137 Goodman Drive Kanata, ON K2W 1C7	32,250	0.0654152708%
Tkalitch	Elena	27 Wrenwood Cresent Ottawa, ON K2G 5V4	1,000	0.0020283805%
Tran	Hong	47 Spur Avenue Kanata, ON K2M 2R9	105	0.0002129800%
Traversy	Nicholas	515-2951 Riverside Drive Ottawa, ON K1V 8W6	2,525	0.0051216607%
Trebenskie	Faye	41 Meadowbrook Drive Pembroke, ON K8A 7C2	1,400	0.0028397327%
Truman	Debbie	629 Glen Street Pembroke, ON K8A 6V5	100	0.0002028380%
Turcotte	Ed	2079 Boisfranc Circle Ottawa, ON K4A 4Z7	1,000	0.0020283805%
University of Ottawa Heart Institute		c/o Mr. Tom Hewitt 40 Ruskin Street, Room 2411 Ottawa, ON K1Y 4W7	543,478	1.1023801727%
Valjan-Arambasic	Serafina	45 Rue Des Oblats Gatineau, QC J8T 8S3	3,000	0.0060851415%
Vince & Danielle Crupi Family Trust		2 Heathwood Gate Nepean, ON K2G 6Y5	782,420	1.5870454640%

Last name	First name	Address	No. of Shares	%
Wagner	Shawn	P.O Box 121 38 Pembroke Street Cobden, ON K0J 1K0	1,333	0.0027038312%
Waitman	Chris	8312 Nashdale Drive Metcalf, ON K0A 2P0	20,000	0.0405676098%
Wallace	Christopher M.	1-348 Winona Avenue Ottawa, ON K1Z 5H4	2,500	0.0050709512%
Wang	Frank	56 Thornbury Crescent Ottawa, ON K2G 6C4	7,750	0.0157199488%
White	Karen	211-12 Corkstown Road Nepean, ON K2H 5B3	824	0.0016713855%
Wiens	Jason	35g Robinson Avenue Ottawa, ON K1N 8N8	6,275	0.0127280876%
Williamson	Joanne	919 Beauclaire Drive Gloucester, ON K1C 2J5	115,000	0.2332637565%
Winton	Dave	1277 Pebble Road Ottawa, ON K1V 7S1	2,500	0.0050709512%
Wood	George	615 Burns Street Ottawa, ON K1K 1B4	2,300	0.0046652751%
Yensen	Trevor	3744 Twin Falls Place Ottawa, ON K1V 1W7	15,000	0.0304257074%
Zeidan	Hassan	P.O. Box 33002 Ottawa, ON K2C 3Y9	1,000	0.0020283805%
			49,300,415	100.00%

SCHEDULE 4.2 – FORM OF DISTRIBUTION DIRECTION

Direction

**To: Computershare Trust Company of Canada
(the “Escrow Agent”)**

Re: Escrow agreement made as of September 17 (the “Agreement”) between Allen-Vanguard Corporation, the Offeree Shareholders (as defined therein), Med-Eng Systems Inc. and the Escrow Agent

Capitalized terms are as defined in the Agreement, unless otherwise noted.

The undersigned hereby irrevocably direct the Escrow Agent to pay \$ _____ to _____ in accordance with Section ____ of the Agreement, plus applicable interest (if any) of \$ _____, and this direction shall constitute good and sufficient authority for so doing.

Dated this _____ day of _____, _____.

Growthworks Canadian Fund Ltd., by its manager, GrowthWorks WV Management Ltd.

Richard L’Abbé

By: _____
Name:
Title:

1062455 Ontario Inc.

By: _____
Name:
Title:

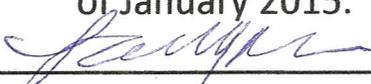
Schroder Ventures Holdings Limited in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, on behalf Schroder Canadian Buy-Out Fund II Coinvestment Scheme and on behalf of SVG Capital plc (formerly, Schroder Ventures International Investment Trust plc)

By: _____
Name:
Title:

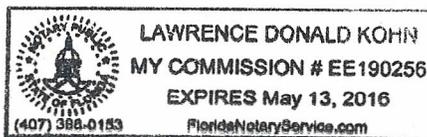
Schroder Venture Managers (Canada) Limited in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name:
Title:

This is Exhibit "C" referred to in the
affidavit of Paul Echenberg
sworn before me, this 19th day
of January 2015.



A Commissioner for Taking Affidavits



Court File No. 08-CV-43544

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ALLEN-VANGUARD CORPORATION

Plaintiff

and

RICHARD L'ABBE, 1062455 ONTARIO INC., GROWTHWORKS
CANADIAN FUND LTD., SCHRODER VENTURE MANAGERS (CANADA)
LIMITED IN ITS CAPACITY AS GENERAL PARTNER OF EACH OF
SCHRODER CANADIAN BUY-OUT FUND II LIMITED PARTNERSHIP
CLP1, SCHRODER CANADIAN BUY-OUT FUND II LIMITED
PARTNERSHIP CLP2, SCHRODER CANADIAN BUY-OUT FUND II
LIMITED PARTNERSHIP CLP3, SCHRODER CANADIAN BUY-OUT FUND
II LIMITED PARTNERSHIP CLP4, SCHRODER CANADIAN BUY-OUT
FUND II LIMITED PARTNERSHIP CLP5, SCHRODER CANADIAN BUY-
OUT FUND II LIMITED PARTNERSHIP CLP6, SCHRODER VENTURES
HOLDINGS LIMITED in its capacity as general partner of SCHRODER
CANADIAN BUY-OUT FUND II UKLP, and on behalf of SCHRODER
CANADIAN BUY-OUT FUND II COINVESTMENT SCHEME and SVG
CAPITAL plc (formerly, SCHRODER VENTURES INTERNATIONAL
INVESTMENT TRUST plc)

Defendants

- AND -

Court File No. 08-CV-43188

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

RICHARD L'ABBÉ, 1062455 ONTARIO INC.,
GROWTHWORKS CANADIAN FUND LTD.,
SCHRODER VENTURE MANAGERS (CANADA) LIMITED

- 2 -

in its capacity as general partner of each of
 Schroder Canadian Buy-Out Fund II Limited Partnership CLP1
 Schroder Canadian Buy-Out Fund II Limited Partnership CLP2,
 Schroder Canadian Buy-Out Fund II Limited Partnership CLP3,
 Schroder Canadian Buy-Out Fund II Limited Partnership CLP4,
 Schroder Canadian Buy-Out Fund II Limited Partnership CLP5,
 Schroder Canadian Buy-Out Fund II Limited Partnership CLP6, and
 SCHRODER VENTURES HOLDING LIMITED,
 in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, and on
 behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme and
 SVG CAPITAL plc (formerly, Schroder Ventures International Investment Trust plc)

Plaintiffs

and

ALLEN-VANGUARD CORPORATION,
 ALLEN-VANGUARD TECHNOLOGIES INC. and
 COMPUTERSHARE TRUST COMPANY OF CANADA

Defendants

MINUTES OF SETTLEMENT

WHEREAS Allen-Vanguard Corporation ("**Allen-Vanguard**") entered into a Share Purchase Agreement, made as of August 3, 2007, with Richard L'Abbé, 1062455 Ontario Inc., GrowthWorks Canadian Fund Ltd., Schroder Venture Managers (Canada) Limited and Schroder Ventures Holdings Limited (collectively, the "**Offeree Shareholders**") to purchase all of the shares of Med-Eng Systems Inc. for approximately \$600,000,000.00, plus an amount established at approximately \$50,000,000.00 for the purpose of excess working capital (the "**Share Purchase Agreement**");

AND WHEREAS Allen-Vanguard and the Offeree Shareholders entered into an Escrow Agreement, made as of September 17, 2007 (the "**Escrow Agreement**"), pursuant to which \$40,000,000.00 of the purchase price paid by Allen-Vanguard to purchase all of the shares of Med-Eng Systems Inc., plus accrued interest, was held in escrow by Computershare Trust Company of Canada (the "**Escrow Agent**");

- 3 -

AND WHEREAS Allen-Vanguard delivered a Notice of Claim in accordance with the terms of the Share Purchase Agreement and Escrow Agreement on September 10, 2008, and the Offeree Shareholders delivered a Notice of Objection in respect of Allen-Vanguard's Notice of Claim on October 6, 2008;

AND WHEREAS Allen-Vanguard and the Offeree Shareholders are parties to two actions commenced in Ottawa (Court File Nos. 08-CV-43188 and 08-CV-43544) (collectively, the "Allen-Vanguard Actions");

AND WHEREAS Allen-Vanguard and the Offeree Shareholders have agreed to fully and finally settle the matters raised in the Allen-Vanguard Actions and any and all other matters or claims arising from, or connected with, the Share Purchase Agreement;

AND WHEREAS this settlement and these Minutes of Settlement as they affect GrowthWorks Canadian Fund Ltd. ("**GrowthWorks**") require approval from the Ontario Superior Court of Justice Commercial List (the "**CCAA Court**") pursuant to the application made by GrowthWorks on October 1, 2013 under the *Companies' Creditors Arrangement Act*;

AND WHEREAS this settlement and these Minutes of Settlement and the Mutual Full and Final Release herein shall be effective and enforceable only if and conditional upon completion of the settlement of the companion Action, Ottawa Court File No. 08-CV-41899, (the "**Timmis Action**"), and on the parties' execution and delivery of the Minutes of Settlement and Mutual Full and Final Release in the Timmis Action;

NOW THEREFORE, Allen-Vanguard and the Offeree Shareholders hereby covenant and agree as follows:

Settlement/Release of Escrow Funds

1. The Offeree Shareholders and Allen-Vanguard agree to jointly authorize and direct the Escrow Agent to release the Indemnification Escrow Fund (as defined in the Escrow Agreement) as follows:
 - (a) To Allen-Vanguard: \$28,000,000 (CDN) as at November 10, 2014, which amount shall be comprised of capital as to \$25,591,286.43 and accumulated interest thereon to November 10, 2014 as to \$2,408,713.57.

- 4 -

- (b) To the Offeree Shareholders: The balance of the Indemnification Escrow Fund, including all additional accumulated interest on that balance will remain invested with the Escrow Agent and shall be distributed to the Offeree Shareholders and the other former shareholders of Med-Eng Systems Inc. in accordance with an order of the Ontario *Superior Court of Justice (Commercial List)*.
2. Concurrently with the execution and delivery of these Minutes of Settlement, Allen-Vanguard and the Offeree Shareholders shall execute and deliver to the Escrow Agent the Joint Direction attached as Schedule "A", which provides for the Escrow Agent to release the Indemnification Escrow Fund in accordance with the terms of the Joint Direction.
 3. Allen-Vanguard and the Offeree Shareholders agree to take such further and other reasonable steps as may be required by the Escrow Agent to obtain the immediate release of the Indemnification Escrow Fund in accordance with the Joint Direction.

Mutual Full and Final Release

4. Concurrently with the execution and delivery of these Minutes of Settlement, Allen-Vanguard and the Offeree Shareholders shall execute and deliver the Mutual Full and Final Release attached as Schedule "B" (the "**Mutual Full and Final Release**"). The parties acknowledge that by entering into these Minutes of Settlement no party is admitting liability of any kind and that any such liability is expressly denied.

Dismissal of the Allen-Vanguard Actions

5. The Allen-Vanguard Actions shall be dismissed on consent without costs, and such Orders shall be obtained expeditiously by counsel for Allen-Vanguard.

Costs and Fees

6. Allen-Vanguard and the Offeree Shareholders shall each bear their own legal fees and disbursements.
7. The costs of the Arbitration with the Honourable Colin L. Campbell, Q.C. are to be divided equally between Allen-Vanguard and the Offeree Shareholders.

Other Terms

8. The parties agree not to make any derogatory/disparaging remarks about any other party. No party shall make any public statement or comment upon the settlement, and the terms of the Minutes of Settlement and Mutual Full and Final Release, except as may be required by law, regulation, order by a governmental authority or is required or admissible in connection with any arbitration or other legal proceeding including the CCAA proceedings in respect of GrowthWorks.

- 5 -

9. These Minutes of Settlement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
10. These Minutes of Settlement may be executed in counterparts and exchanged by facsimile or electronic transmission, each copy of which shall be deemed to be an original, and that such separate counterparts shall together constitute one and the same agreement.
11. Time is of the essence of this agreement.

GrowthWorks CCAA Court Approval

12. Notwithstanding all of the above, and the parties' agreements reflected in these Minutes of Settlement and the Mutual Full and Final Release, the parties further agree that the settlement, these Minutes of Settlement and the Mutual Full and Final Release shall not be effective, enforceable or acted upon until the approval of this settlement has been obtained from the CCAA Court.
13. The parties consent to seek approval from the CCAA Court and to expedite the motion to the CCAA Court to obtain such approval. Upon such approval, and subject to paragraphs 14 and 15 below, the settlement, these Minutes of Settlement and the Full and Final Mutual Release shall become immediately effective.

Settlement Conditional on Timmis Action Settlement

14. The parties acknowledge and agree that the settlement, these Minutes of Settlement and Mutual Full and Final Release, even if approved by the CCAA Court, shall be effective and enforceable only if and conditional upon the settlement of the Timmis Action and the execution and delivery of the Minutes of Settlement and Mutual Full and Final Release therein by the parties to the Timmis Action.

Deadline for Payment

15. The parties agree that Allen-Vanguard shall receive payment pursuant to paragraph 1(a) above by no later than December 29, 2014. In the event that payment is not received by Allen-Vanguard by that date and in accordance with the terms herein, Allen-Vanguard may, in its sole and absolute discretion, treat this settlement, these Minutes of Settlement and the Mutual Full and Final Release as null and void and of no force or effect.

IN WITNESS WHEREOF the undersigned have executed these Minutes of Settlement on December ____, 2014.

ALLEN-VANGUARD CORPORATION

By: 

Name *P. L'Abbé*
Title *Director*

I have authority to bind the company

RICHARD L'ABBÉ

Witness

Richard L'Abbé

1062455 ONTARIO INC.

By: _____

Name
Title

I have authority to bind the company

GROWTHWORKS CANADIAN FUND LTD.

By: _____

Name
Title

I have authority to bind the company

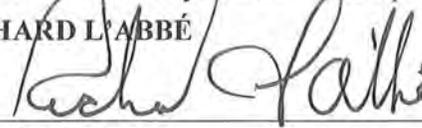
IN WITNESS WHEREOF the undersigned have executed these Minutes of Settlement on December 15, 2014.

ALLEN-VANGUARD CORPORATION

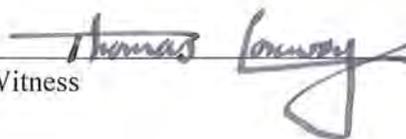
By: _____
Name
Title

I have authority to bind the company

RICHARD L'ABBÉ



Richard L'Abbé


Witness

1062455 ONTARIO INC.

By: _____
Name Richard L'Abbé
Title President

I have authority to bind the company

GROWTHWORKS CANADIAN FUND LTD.

By: _____
Name
Title

I have authority to bind the company

IN WITNESS WHEREOF the undersigned have executed these Minutes of Settlement on December ____, 2014.

ALLEN-VANGUARD CORPORATION

By: _____

Name

Title

I have authority to bind the company

RICHARD L'ABBÉ

Witness

Richard L'Abbé

1062455 ONTARIO INC.

By: _____

Name

Title

I have authority to bind the company

GROWTHWORKS CANADIAN FUND LTD.

By:  _____

Name C. Ian Ross

Title Interim Chief Executive Officer

I have authority to bind the company

- 7 -

SVMCL MANAGEMENT CANADA

LIMITED in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____

Name CATHERINE LYNG
Title DIRECTOR

I have authority to bind the company

SCHRODER VENTURES HOLDINGS

LIMITED in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP and on behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme

By: _____

Name
Title

I have authority to bind the company

SVG CAPITAL plc (formerly, SCHRODER VENTURES INTERNATIONAL INVESTMENT TRUST plc)

By: _____

Name
Title

I have authority to bind the company

- 7 -

SVMCL MANAGEMENT CANADA LIMITED in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
 Name
 Title

I have authority to bind the company

SCHRODER VENTURES HOLDINGS LIMITED in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP and on behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme

By: *Shay* _____
 Name *Susan Cooper*
 Title *Director*

I have authority to bind the company

SVG CAPITAL plc (formerly, SCHRODER VENTURES INTERNATIONAL INVESTMENT TRUST plc)

By: _____
 Name
 Title

I have authority to bind the company

- 7 -

SVMCL MANAGEMENT CANADA LIMITED in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____
Name
Title

I have authority to bind the company

SCHRODER VENTURES HOLDINGS LIMITED in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP and on behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme

By: _____
Name
Title

I have authority to bind the company

SVG CAPITAL plc (formerly, SCHRODER VENTURES INTERNATIONAL INVESTMENT TRUST plc)

By:  _____
Name T.S. BALLARD
Title Company Secretary

I have authority to bind the company

SCHEDULE "A"
JOINT DIRECTION

TO: Computershare Trust Company of Canada, (the "**Escrow Agent**")

RE: Escrow Agreement made as of September 17, 2007 (the "**Escrow Agreement**") between Allen-Vanguard Corporation, the Offeree Shareholders (as defined (herein)), Med-Eng Systems Inc. and the Escrow Agent

Capitalized terms are as defined in the Escrow Agreement, unless otherwise noted.

Pursuant to Section 4.1 of the Escrow Agreement, the undersigned hereby irrevocably direct the Escrow Agent to release the Indemnification Escrow Fund as follows:

- (a) To the Purchaser: \$28,000,000 (CDN) as at November 10, 2014, which amount shall be comprised of capital as to \$25,591,286.43 and accumulated interest thereon to November 10, 2014 as to \$2,408,713.57.
- (b) To the Offeree Shareholders: The balance of the Indemnification Escrow Fund, including all additional accumulated interest on that balance will remain invested with the Escrow Agent and shall be distributed to the Offeree Shareholders and the other former shareholders of Med-Eng Systems Inc. in accordance with an order of the Ontario *Superior Court of Justice (Commercial List)*.

This joint direction shall not be effective, enforceable or acted upon:

- (i) Unless and until an order is made by a judge of the Ontario *Superior Court of Justice (Commercial List)* In the Matter of *GrowthWorks Canadian Fund Ltd.*, Court file number CV-13-10279-00CL, directing the Escrow Agent to pay the Purchaser in accordance with this joint direction; and

- 2 -

- (ii) Unless this joint direction is received by the Escrow Agent and payment made to the Purchaser pursuant to paragraph (a) above by December 29, 2014, except as may be otherwise agreed to by Allen-Vanguard in its sole and absolute discretion.

DATED as of December __, 2014.

ALLEN-VANGUARD CORPORATION

By:


 Name Richard L'Abbé
 Title Director

I have authority to bind the company

RICHARD L'ABBÉ

Witness

Richard L'Abbé

1062455 ONTARIO INC.

By:

Name
Title

I have authority to bind the company

- (ii) Unless this joint direction is received by the Escrow Agent and payment made to the Purchaser pursuant to paragraph (a) above by December 29, 2014, except as may be otherwise agreed to by Allen-Vanguard in its sole and absolute discretion.

DATED as of December 15, 2014.

ALLEN-VANGUARD CORPORATION

By: _____

Name

Title

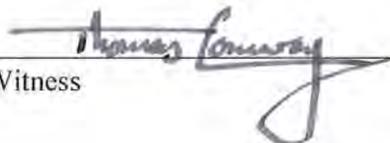
I have authority to bind the company

RICHARD L'ABBE



Richard L'Abbe

Witness



1062455 ONTARIO INC.

By: _____

Name

Title



Richard L'Abbe
President

I have authority to bind the company

GROWTHWORKS CANADIAN FUND LTD.

By: *C. Ian Ross*

Name *C. Ian Ross*
Title *CHAIRMAN*

I have authority to bind the company

SVMCL MANAGEMENT CANADA LIMITED in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: *Clyde*

Name *CATHERINE LYNG*
Title *DIRECTOR*

I have authority to bind the company

SCHRODER VENTURES HOLDINGS LIMITED in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP and on behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme

By: _____

Name
Title

I have authority to bind the company

- 3 -

GROWTHWORKS CANADIAN FUND LTD.

By: _____

Name

Title

I have authority to bind the company

SVMCL MANAGEMENT CANADA LIMITED in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____

Name

Title

I have authority to bind the company

SCHRODER VENTURES HOLDINGS LIMITED in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP and on behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme

By: _____

Name

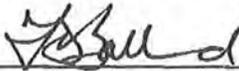
Title

Susan Cooper
 Name Susan Cooper
 Title Director

I have authority to bind the company

- 4 -

**SVG CAPITAL plc (formerly, SCHRODER
VENTURES INTERNATIONAL
INVESTMENT TRUST plc)**

By: 
Name T. S. BALLARD
Title Company Secretary

I have authority to bind the company

SCHEDULE "B"

MUTUAL FULL AND FINAL RELEASE

WHEREAS it is agreed that terms not defined in this Mutual Full and Final Release have the meaning given to them in the Minutes of Settlement dated December 15, 2014 to which this Mutual Full and Final Release is attached as Schedule "B".

NOW THEREFORE AND IN CONSIDERATION of the execution of the Minutes of Settlement and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, Allen-Vanguard of the first part, and the Offeree Shareholders of the second part, (hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**") do hereby release, remise and forever discharge, without limitation or qualification, each other and their agents, predecessors, successors, personal representatives, heirs, executors, administrators, assigns, and affiliated, associated, subsidiary or related partnerships, trusts, corporations, companies or other entities, including the respective past, present and future officers, directors, trustees, employees, servants, shareholders, agents, successors or assigns of each of the foregoing, of and from all manner of claims, potential claims, actions, causes of action, suits, proceedings, demands, debts, expenses, compensation, damages, monies, losses, complaints, awards, judgments, interest, costs (legal or otherwise) and liabilities howsoever arising, whether in law or equity, whether implied or expressed, whether currently known or unknown, in any way related to or arising out of the Allen-Vanguard Actions and any and all other matters or claims arising from, or connected with, the Share Purchase Agreement, including those claims that were advanced or could have been advanced up to and including the date of this Mutual Full and Final Release in the Allen-Vanguard Actions (the "**Released Claims**").

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, the Parties declare that the intent of this Mutual Full and Final Release is to conclude all issues in respect of, relating to, or arising out of, the Released Claims and it is understood and agreed that this Mutual Full and Final Release is intended to cover, and does cover, not only all known injuries, losses and damages in respect of the Released Claims, but also injuries, losses and damages in respect

- 2 -

of the Released Claims not now known or anticipated but which may later be discovered, including all the effects and consequences thereof.

IT IS FURTHER UNDERSTOOD AND AGREED that neither Party shall make or continue any claim or take any proceedings against any other person or corporation who might claim, in any manner or forum, contribution or indemnity in common law or in equity, or under the provisions of any statute or regulation, including the *Negligence Act* and the amendments thereto and/or under any successor legislation thereto, and/or under the *Rules of Civil Procedure*, from the other Party in connection with the Released Claims.

IT IS FURTHER UNDERSTOOD AND AGREED that neither Party has assigned to any person, partnership, trust, corporation, company, or any other entity any of the Released Claims, nor any of the matters about which it agrees herein not to make any claim or take any proceedings.

IT IS FURTHER UNDERSTOOD AND AGREED that this Mutual Full and Final Release is entered into without any admission of liability by the Parties.

IT IS FURTHER UNDERSTOOD AND AGREED that the provisions hereof shall enure to the benefit of and shall be binding upon the successors and assigns of the Parties.

AND IT IS FURTHER UNDERSTOOD AND AGREED that this Mutual Full and Final Release shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

AND IT IS ACKNOWLEDGED that this Mutual Full and Final Release has been read by the undersigned and the terms of the aforementioned agreement are fully understood by each of the undersigned, that each undersigned is executing this Mutual Full and Final Release freely, voluntarily and without duress after having received legal advice, and that, except as set out in the Minutes of Settlement and this Mutual Full and Final Release, none of the undersigned have been induced to execute this Mutual Full and Final Release by reason of any representation or warranty of any nature or kind whatsoever and that there is no condition express or implied or collateral agreement affecting this Mutual Full and Final Release except as provided in the Minutes of Settlement and herein.

- 3 -

AND IT IS ACKNOWLEDGED that this Mutual Full and Final Release may be executed by the undersigned in one or more separate counterparts (including by facsimile or other electronic transmission), each of which when so executed shall constitute and be deemed to be an original and shall be binding upon and enure to the benefit of the Parties, and all such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF the undersigned have executed under seal this Mutual Full and Final Release on December ____, 2014.

ALLEN-VANGUARD CORPORATION

By: _____

Name

Title

P. L'Abbe
Chair of Board - Member

I have authority to bind the company

RICHARD L'ABBÉ

Witness

Richard L'Abbe

1062455 ONTARIO INC.

By: _____

Name

Title

I have authority to bind the company

AND IT IS ACKNOWLEDGED that this Mutual Full and Final Release may be executed by the undersigned in one or more separate counterparts (including by facsimile or other electronic transmission), each of which when so executed shall constitute and be deemed to be an original and shall be binding upon and enure to the benefit of the Parties, and all such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF the undersigned have executed under seal this Mutual Full and Final Release on December 15, 2014.

ALLEN-VANGUARD CORPORATION

By: _____

Name
Title

I have authority to bind the company

RICHARD L'ABBÉ



Richard L'Abbé

1062455 ONTARIO/INC.

By: _____

Name Richard L'Abbé
Title President

I have authority to bind the company

Witness



GROWTHWORKS CANADIAN FUND LTD.

By: C. Ian Ross
Name C. Ian Ross
Title CHAIRMAN

I have authority to bind the company

SVMCL MANAGEMENT CANADA LIMITED in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: Catherine Lyng
Name CATHERINE LYNG
Title DIRECTOR

I have authority to bind the company

SCHRODER VENTURES HOLDINGS LIMITED in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP and on behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme

By: _____
Name
Title

I have authority to bind the company

- 4 -

GROWTHWORKS CANADIAN FUND LTD.

By: _____

Name

Title

I have authority to bind the company

SVMCL MANAGEMENT CANADA

LIMITED in its capacity as general partner of each of Schroder Canadian Buy-Out Fund II Limited Partnership CLP1, Schroder Canadian Buy-Out Fund II Limited Partnership CLP2, Schroder Canadian Buy-Out Fund II Limited Partnership CLP3, Schroder Canadian Buy-Out Fund II Limited Partnership CLP4, Schroder Canadian Buy-Out Fund II Limited Partnership CLP5, Schroder Canadian Buy-Out Fund II Limited Partnership CLP6

By: _____

Name

Title

I have authority to bind the company

SCHRODER VENTURES HOLDINGS

LIMITED in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP and on behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme

By: _____

Name

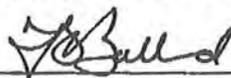
Title

Susan Cooper
 Name Susan Cooper
 Title Director

I have authority to bind the company

- 5 -

**SVG CAPITAL plc (formerly, SCHRODER
VENTURES INTERNATIONAL
INVESTMENT TRUST plc)**

By: 
Name T.S. BALLARD
Title Company Secretary

I have authority to bind the company

-2-

DATED AT OTTAWA, ONTARIO this day of November, 2014.

CONWAY BAXTER WILSON LLP/s.r.l.

Per:

Thomas G. Conway
Christopher J. Hutchison
Calina N. Ritchie

Lawyers for the Plaintiff's

DATED AT TORONTO, ONTARIO this day of November, 2014.

LENCZNER SLAGHT ROYCE

SMITH GRIFFIN LLP

Per:

Ronald G. Slaght
Eli S. Lederman
Ian MacLeod

Lawyers for the Defendants,
Allen-Vanguard Corporation and
Allen-Vanguard Technologies Inc.

DATED AT TORONTO, ONTARIO this day of November, 2014.

Per:

Lawyer for the Defendant,
Computershare Trust Company of Canada

SCHEDULE "A"

Court File No. 08-CV-43188

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE REGISTRAR

)
)
)

, THE DAY

OF NOVEMBER, 2014

BETWEEN:

RICHARD L'ABBÉ, 1062455 ONTARIO INC.,
GROWTHWORKS CANADIAN FUND LTD.,
SCHRODER VENTURE MANAGERS (CANADA) LIMITED
in its capacity as general partner of each of
Schroder Canadian Buy-Out Fund II Limited Partnership CLP1
Schroder Canadian Buy-Out Fund II Limited Partnership CLP2,
Schroder Canadian Buy-Out Fund II Limited Partnership CLP3,
Schroder Canadian Buy-Out Fund II Limited Partnership CLP4,
Schroder Canadian Buy-Out Fund II Limited Partnership CLP5,
Schroder Canadian Buy-Out Fund II Limited Partnership CLP6, and
SCHRODER VENTURES HOLDING LIMITED,

in its capacity as general partner of Schroder Canadian Buy-Out Fund II UKLP, and on
behalf of Schroder Canadian Buy-Out Fund II Coinvestment Scheme and
SVG CAPITAL plc (formerly, Schroder Ventures International Investment Trust plc)

Plaintiffs

and

ALLEN-VANGUARD CORPORATION,
ALLEN-VANGUARD TECHNOLOGIES INC. and
COMPUTERSHARE TRUST COMPANY OF CANADA

Defendants

ORDER

-4-

THIS MOTION, made jointly by the Plaintiffs and the Defendants herein for an Order dismissing this action on a without costs basis, was heard this day at the Court House, 161 Elgin Street, Ottawa, Ontario.

ON READING the Consent executed on behalf of the parties, filed,

† **THIS COURT ORDERS** that this action is hereby dismissed, on a without costs basis.

RICHARD L'ABBÉ et al.
Plaintiffs

-and- ALLEN-VANGUARD CORPORATION et al.
Defendants

Court File No. 08-CV-43188

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT OTTAWA

ORDER

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Barristers
Suite 2600
130 Adelaide Street West
Toronto ON M5H 3P5

Ronald G. Slaght, Q.C. (12741A)

Tel: (416) 865-2929
Fax: (416) 865-2862
Email: rslaght@litigate.com

Eli S. Lederman (47189L)

Tel: (416) 865-3555
Fax: (416) 865-2872
Email: elederman@litigate.com

Ian MacLeod (60511F)

Tel: (416) 865-2895
Fax: (416) 865-3701
Email: imacleod@litigatc.com

Lawyers for the Defendants,
Allen-Vanguard Corporation and
Allen-Vanguard Technologies Inc.

Court File No.: 08-CV-43544

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ALLEN-VANGUARD CORPORATION

Plaintiff

and

RICHARD L'ABBE, 1062455 ONTARIO INC., GROWTHWORKS CANADIAN FUND LTD., SCHRODER VENTURE MANAGERS (CANADA) LIMITED IN ITS CAPACITY AS GENERAL PARTNER OF EACH OF SCHRODER CANADIAN BUY-OUT FUND II LIMITED PARTNERSHIP CLP1, SCHRODER CANADIAN BUY-OUT FUND II LIMITED PARTNERSHIP CLP2, SCHRODER CANADIAN BUY-OUT FUND II LIMITED PARTNERSHIP CLP3, SCHRODER CANADIAN BUY-OUT FUND II LIMITED PARTNERSHIP CLP4, SCHRODER CANADIAN BUY-OUT FUND II LIMITED PARTNERSHIP CLP5, SCHRODER CANADIAN BUY-OUT FUND II LIMITED PARTNERSHIP CLP6, SCHRODER VENTURE HOLDINGS LIMITED in its capacity as general partner of SCHRODER CANADIAN BUY-OUT FUND II UKLP, and on behalf of SCHRODER CANADIAN BUY-OUT FUND II COINVESTMENT SCHEME and SVG CAPITAL plc (formerly, SCHRODER VENTURES INTERNATIONAL INVESTMENT TRUST plc)

Defendants

CONSENT

The Plaintiff and Defendants, by their respective lawyers, hereby consent to an Order dismissing this action on a without costs basis, in the form appended hereto as Schedule "A". The parties each confirm, by their respective lawyers, that none is under any form of disability.

-2-

DATED AT TORONTO, ONTARIO this day of November, 2014.

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Per:

Ronald G. Slaght
Eli S. Lederman
Ian MacLeod

Lawyers for the Plaintiff

DATED AT OTTAWA, ONTARIO this day of November, 2014.

CONWAY BAXTER WILSON LLP/s.r.l.

Per:

Thomas G. Conway
Christopher J. Hutchison
Calina N. Ritchie

Lawyers for the Defendants

ALLEN-VANGUARD CORPORATION
Plaintiff

-and- RICHARD L'ABBÉ et al.
Defendants

Court File No. 08-CV-43544

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT OTTAWA

CONSENT

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Barristers
Suite 2600
130 Adelaide Street West
Toronto ON M5H 3P5

Ronald G. Slaght, Q.C. (12741A)

Tel: (416) 865-2924

Fax: (416) 865-2862

Email: rslaght@litigate.com

Eli S. Lederman (47189L)

Tel: (416) 865-3555

Fax: (416) 865-2872

Email: elederman@litigate.com

Ian MacLeod (60511F)

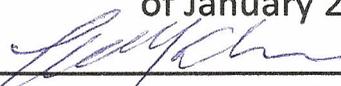
Tel: (416) 865-2895

Fax: (416) 865-3701

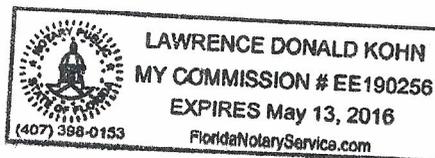
Email: imacleod@litigate.com

Lawyers for the Plaintiff,
Allen-Vanguard Corporation

This is Exhibit "D" referred to in the
affidavit of Paul Echenberg
sworn before me, this 19th day
of January 2015.



A Commissioner for Taking Affidavits



SUMMARY OF EXPENSES INCURRED BY THE OFFEREE SHAREHOLDERS (2008-2014)

Allen-Vanguard Action/Offeree Shareholder Action - Legal Fees, Disbursements and Taxes						
Year	Hours Billed	Average Hourly Rate	Legal Fees	Disbursements	Tax	Total
2008	126.8	429.85	\$54,505.50	\$566.92	\$1,587.56	\$56,659.98
2009	462.7	255.72	\$118,576.00	\$10,309.41	\$5,475.15	\$134,360.56
2010	1009.2	297.92	\$300,660.00	\$6,424.23	\$26,969.31	\$334,053.54
2011	1542.8	305.69	\$471,613.00	\$26,617.18	\$64,724.47	\$562,954.65
2012	764.9	292.87	\$224,019.03	\$1,430.92	\$28,827.91	\$254,277.86
2013	2594.61	317.83	\$824,635.71	\$26,433.57	\$97,064.02	\$948,133.30
2014	2398.18	424.83	\$1,018,818.20	\$66,184.73	\$118,357.85	\$1,203,360.78

Allen-Vanguard Action/Offeree Shareholder Action - Expert Fees and Taxes						
Year						Total
2013						\$325,618.06
2014						\$281,328.25

Additional Expenses	
GrowthWorks' Additional Expenses (set out in paragraph 102 of the Affidavit of Paul Echenberg, sworn January 19, 2015)	\$394,597.00
Offeree Shareholders' Additional Legal Fees (set out in paragraph 92 of the Affidavit of Paul Echenberg, sworn January 19, 2015)	\$73,000.00
Offeree Shareholders' Additional Legal Fees (set out in paragraph 93 of the Affidavit of Paul Echenberg, sworn January 19, 2015)	\$160,000.00
TOTAL	\$4,728,343.98

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.
C-36, AS AMENDED AND IN THE MATTER OF GROWTHWORKS CANADIAN FUND
LTD.

Court File No: CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**MOTION RECORD
(RETURNABLE JANUARY 20, 2015)**

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Sharon Kour LSUC#: 58328D
Tel: (416) 601-8305
Fax: (416) 868-0673
Email: skour@mccarthy.ca

**Kevin P. McElcheran Professional
Corporation**
420-120 Adelaide St W
Toronto ON M5H 1T1

Kevin McElcheran LSUC#: 22119H
Tel: (416) 855-0444
Email: kevin@mcelcheranadr.com

Lawyers for the Applicant
14051923