
SUBSCRIPTION AGREEMENT FOR SERIES ALPHA3 NOTES

INSTRUCTIONS

PLEASE MAKE SURE THAT YOUR SUBSCRIPTION INCLUDES

1. A signed copy of this Subscription Agreement;

A cheque, bank draft or electronic funds transfer in an amount equal to the Aggregate Subscription Amount indicated on the face page of this Subscription Agreement, payable to “Beacon Consumer Holdings Inc.”;
2. A properly completed and duly executed copy of the appropriate investor qualification form(s) as indicated below:
 - if you are an **individual** - two (2) completed and signed copies of the Risk Acknowledgment Form attached to this Subscription Agreement as Schedule A – Form 45-106F9

OR

 - if you are **not an individual** - the Accredited Investor Representation Letter attached to this Subscription Agreement as Schedule B (including Appendix A thereto); and
3. All subscribers (individuals and non-individuals) that are residents of Alberta, British Columbia, Saskatchewan, Manitoba, the Northwest Territories, Yukon or Nunavut who are purchasing Notes through a market participant that is not registered as a dealer with the applicable securities regulatory authority must also provide two (2) completed and signed copies of the Risk Acknowledgment - *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions* attached to this Subscription Agreement as Schedule C (one copy may be retained for your records).

PLEASE DELIVER YOUR COMPLETED SUBSCRIPTION AGREEMENT TO:

BEACON CONSUMER HOLDINGS INC.

4145 North Service Road, Suite 200
Burlington ON
L7L 6A3 Canada
Phone: (905) 639-3173

Email: info@beaconconsumerholdings.com

SUBSCRIPTION AGREEMENT FOR SERIES ALPHA3 NOTES

TO: Beacon Consumer Holdings Inc. (the “Corporation”)

The undersigned (hereinafter referred to as the “Subscriber”) hereby irrevocably subscribes for and agrees to purchase the number of Series Alpha3 Notes (the “Notes” or the “Alpha3 Notes”) of the Corporation set forth below for the aggregate subscription amount set forth below, representing a subscription price of CDN \$1.00 per \$1.00 principal amount of a Note, upon and subject to the terms and conditions set forth in “Terms and Conditions of Subscription for Notes of Beacon Consumer Holdings Inc.” attached hereto (the “Subscription Agreement”). **In addition to this face page, the Subscriber must also complete all applicable schedules attached hereto.**

This is the first page of an agreement comprised of 13 pages (excluding the Schedule hereto)

Full Legal Name of Subscriber (please print)

By: _____
 Signature of Subscriber or its Authorized Representative

 Official Title or Capacity (please print)

 Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)

 Date of Execution

 Social Insurance Number/Business Number/Trust Number

 Subscriber’s Address (LINE ONE)

 Subscriber’s Address (LINE TWO)

 Telephone Number (including area code)

 E-mail Address

 Register the Notes (if different from address above) as follows:

 Name / Contact Name

 Account reference, if applicable

 Address (including postalcode)

Aggregate Subscription Amount: \$ _____

Series of Alpha3 Notes: _____

Insider Status

Is the Subscriber an “Insider” of the Corporation as defined by applicable securities laws in the jurisdiction of residence of the Subscriber?

YES NO

Registrant Status

Is the Subscriber a “Registrant” as defined by applicable securities laws in the jurisdiction of residence of the Subscriber?

YES NO

Deliver the Notes (if different from address given) as follows:

 Name / Contact Name

 Account reference, if applicable

 Address (including postal code)

 Telephone Number (including area code)

FOR OFFICE USE ONLY

ACCEPTANCE:

The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

BEACON CONSUMER HOLDINGS INC.

Per: _____

Date: _____

SELLING AGENT: _____ **AGENT CODE:** _____ **EXEMPT MARKET DEALER:** _____

NEO SELLING AGENT: _____ **AGENT CODE:** _____ **NEO COMPANY NAME:** _____

INVESTMENT TYPE: _____ (e.g. Registered Plan or Cash)

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR
SERIES ALPHA3 NOTES OF BEACON CONSUMER HOLDINGS INC.**

1. **Definitions.** In this Subscription Agreement:

- (a) “**Aggregate Subscription Amount**” means the aggregate dollar amount of the subscription indicated in the face page of this Subscription Agreement;
- (b) “**Closing Date**” means the date on which Notes are issued by the Corporation;
- (c) “**Corporation**” means Beacon Consumer Holdings Inc., a public corporation incorporated under the *Business Corporations Act* (Alberta);
- (d) “**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;
- (e) “**Northwest Exemption Jurisdictions**” means, collectively, Alberta, British Columbia, Saskatchewan, Manitoba, the Northwest Territories, Yukon and Nunavut which have adopted the exemption from the dealer registration requirement for certain market participants entitled *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions* pursuant to a local Instrument, Blanket Order or Ruling (as applicable);
- (f) “**Noteholder(s)**” means a holder of Notes purchased by a Subscriber;
- (g) “**Notes**” or “**Alpha3 Notes**” means the Series Alpha3 notes of the Corporation which are comprised of the following Series of Notes:
 - 6.00% Series SR2026 Notes;
 - 7.00% Series SR2028B Notes;
 - (collectively, the “**Series SR Notes**”)
 - and
 - 7.50% Series SB2026 Notes;
 - 9.00% Series SB2028B Notes;
 - (collectively, the “**Series SB Notes**”)
- (h) “**Offering**” means the offering of the Notes pursuant to the terms and conditions set out in the Term Sheet;
- (i) “**Offering Jurisdictions**” means each of the provinces and territories of Canada;
- (j) “**Term Sheet**” means the term sheet of the Corporation accompanying this Subscription Agreement;
and
- (k) “**U.S. Securities Act**” means the United States *Securities Act of 1933* as the same may be amended from time to time.

2. **Acknowledgements of the Subscriber.** The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that:

- (a) this subscription is subject to rejection or acceptance by the Corporation in whole or in part, and is effective only upon acceptance by the Corporation;

(b) the Notes subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Corporation of up to 100,000,000 Notes at a subscription price of \$1.00 per \$1.00 principal amount of a Note;

(c) the Corporation reserves the right, as allowed by applicable securities legislation, to retain registered dealers and, where permitted in the Northwest Exemption Jurisdictions, unregistered market participants (collectively, the “**Selling Agents**”) to help effect sales of the Notes;

(d) No compensation will be paid to any Selling Agent from the proceeds received by the Corporation in connection with the sale of the Notes. The entire Subscription Amount will be used to purchase Notes which, in turn, will be used by the Corporation to purchase corresponding Purchased Trust Notes as described in the Term Sheet. The Corporation is entitled to pay to Selling Agents, from sources other than the Subscription Amount received from a Subscriber, a selling fee equal to a maximum 7.00% of the gross proceeds raised from the sale of the Series SR2026 Notes and Series SB2026 Notes and a maximum of 9.00% of the gross proceeds raised from the sale of the Series SR2028B Notes and the Series SB2028B. Particulars of the selling fee structure can be provided upon request to Subscribers separately by their respective Selling Agent.

(e) Subscribers should note that the Series SB Notes are subordinate to the Series SR Notes upon the terms and conditions set forth and as otherwise described in the Term Sheet;

(f) although there is a \$10,000.00 minimum investment amount per Subscriber, the Offering is not subject to a minimum offering amount. You may be the only Subscriber under this Offering; and

(g) the Subscriber is responsible for obtaining such legal and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement.

3. **Representations, Warranties and Covenants of the Subscriber.** By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

(a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder;

(b) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder, and all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters have been given or obtained;

(c) if the Subscriber is a body corporate, the Subscriber is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation;

(d) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, the Subscriber;

(e) if the Subscriber is acting as agent or trustee for a principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such principal, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, such principal;

(f) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement to which the Subscriber is a party or by which it is bound;

(g) the Subscriber is, or is deemed to be purchasing the Notes as principal for the Subscriber's own account, not for the benefit of any other person, and for investment purposes only and not with a view to the resale or distribution of all or any of the Notes; and

i. if the Subscriber is resident in one of the Northwest Exemption Jurisdictions and is purchasing Notes through a Selling Agent that is not registered as a dealer in the applicable province or territory, the Subscriber hereby acknowledges and agrees that such Selling Agent has not advised, recommended or otherwise represented to the Subscriber that the Notes are suitable with regards to the Subscriber's:

A. investment needs and objectives;

B. financial tolerance;

C. risk tolerance and that the "Seller" as defined in the Risk Acknowledgment under Blanket Order 31-505 attached as Schedule C hereto has not provided financial services to the Subscriber and does not hold or have access to the Subscriber's assets;

(h) the Subscriber confirms that the Subscriber (and, if the Subscriber is not purchasing as principal, each beneficial purchaser for whom the Subscriber is acting):

i. **if the Subscriber is an individual resident in an Offering Jurisdiction and is purchasing Notes as an "accredited investor"** (as such term is defined in NI 45-106 and Section 73.3 of the *Securities Act* (Ontario)), the Subscriber has duly completed and executed two (2) copies of the Risk Acknowledgment Form 45-106F9 attached to this Subscription Agreement as Schedule A; or

ii. **if the Subscriber is resident in an Offering Jurisdiction, is not an Individual and is purchasing Notes as an "accredited investor"** (as such term is defined in NI 45-106 and Section 73.3 of the *Securities Act* (Ontario)), the Subscriber has duly completed and executed the Accredited Investor Representation Letter attached to this Subscription Agreement as Schedule B (including Appendix A thereto);

and the Subscriber is not being used solely to purchase or hold Notes pursuant to an exemption available under NI 45-106 or Section 73.3 of the *Securities Act* (Ontario) (as applicable); and

iii. **if the Subscriber is resident in a Northwest Exemption Jurisdiction and is purchasing Notes through a market participant that is not registered as a dealer with the applicable securities regulatory authority**, the Subscriber has duly completed two (2) completed and signed copies of the Risk Acknowledgment - *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions* attached to this Subscription Agreement as Schedule C (one copy may be retained for the Subscriber's records);

(i) the Subscriber is capable of assessing the proposed investment in the Notes as a result of the Subscriber's own experience or as a result of advice received from a person registered under applicable securities legislation;

(j) the Subscriber is able to bear the economic risk of loss of its investment in the Notes;

- (k) the Subscriber understands that no securities commission or securities regulatory authority, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Notes;
- (l) the Subscriber acknowledges that no prospectus has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Notes and the issuance is exempt from the prospectus requirement under the provisions of applicable securities laws and as a result:
- i. the Subscriber may be restricted from using some of the statutory or civil remedies otherwise available to investors under applicable securities laws including any applicable statutory rights of rescission or damages in the event of a misrepresentation that may not be available to the Subscriber in connection with the purchase and sale of the Notes;
 - ii. the Subscriber may not receive information that would otherwise be required to be provided to it under applicable securities laws; and
 - iii. the Corporation is relieved from certain obligations that would otherwise apply under applicable securities laws;
 - iv. the Subscriber confirms that neither the Corporation or any of its representative directors, employees, officers or affiliates, have made any representations (written or oral) to the Subscriber:
 - A. regarding the future value or price of the Notes;
 - B. that any person will resell the Notes on behalf of the Subscriber or purchase the Notes from the Subscriber;
 - C. that the Notes will be listed and posted for trading on an exchange or quoted on any quotation and trade reporting system or that application has been or will be made to list and post the Notes for trading on an exchange or quote the Notes on any quotation and trade reporting system; or
 - D. that any person will refund the purchase price of the Notes other than as provided in the Term Sheet or this Subscription Agreement;
- (m) the Subscriber confirms that it has been advised to consult its own legal and financial advisors with respect to the suitability of the Notes as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Notes, and the resale restrictions and “hold periods” to which the Notes are or may be subject under applicable securities legislation and has not relied upon any statements made by or purporting to have been made on behalf of the Corporation with respect to such suitability, tax consequences, and resale restrictions;
- (n) except for the Subscriber’s knowledge regarding its subscription for Notes hereunder, the Subscriber has no knowledge of a “material fact” or a “material change” (as those terms are defined in the *Securities Act* (Alberta)) in the affairs of the Corporation that has not been generally disclosed;
- (o) the Subscriber is resident in the jurisdiction indicated on the face page of this Subscription Agreement as the “Subscriber’s Address” and the purchase by and sale to the Subscriber of the Notes, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction;
- (p) the Subscriber acknowledges that the Corporation may be required to provide applicable securities regulatory authorities with information concerning the identities of the beneficial purchasers of the Notes and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Notes as agent for an undisclosed principal, the Subscriber will provide to the Corporation, on request, particulars as to the identity of such undisclosed principal as may be required by the Corporation in order to comply with the foregoing and applicable securities laws;

- (q) the Subscriber understands that it will not resell the Notes except in accordance with limited exemptions available under applicable securities legislation and regulatory policy, and that the Subscriber is solely responsible for (and the Corporation is not in any way responsible for) the Subscriber's compliance with applicable resale restrictions;
- (r) the Subscriber acknowledges that it is aware that there is no market upon which the Notes trade and there is no assurance that any of the Notes will be listed and posted for trading on a stock exchange or dealer network in the future;
- (s) Subscribers resident in Alberta, British Columbia, Saskatchewan, Manitoba, the Northwest Territories, Yukon or Nunavut that are purchasing Notes through a market participant that is not registered as a dealer with the applicable securities regulatory authority understand that the sale of the Notes is conditional upon such sale being exempt from the requirement to sell securities through a registered dealer or upon the issuance of orders, consents or approvals as may be required to enable such sale to be made without complying with such dealer registration requirement and that as a consequence of acquiring the Notes pursuant to such exemption, certain protections, rights and remedies provided by applicable securities legislation may not be available to the Subscriber in connection with the purchase and sale of the Notes;
- (t) the Subscriber understands that any certificates representing the Notes will bear a legend indicating that the resale of such securities is restricted;
- (u) the Term Sheet does not constitute an "offering memorandum" as such term is defined under applicable securities laws;
- (v) other than the Term Sheet, the Subscriber has not received or been provided with, nor has it requested or have any need to receive, any offering memorandum, or any other document (other than the annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation) describing the business and affairs of the Corporation, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Notes pursuant to the Offering;
- (w) the Subscriber is not a "**U.S. Person**" (as that term is defined by Regulations under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not acquiring the Notes for the account or benefit of a U.S. Person or a person in the United States;
- (x) the Notes have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Notes and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- (y) the Subscriber undertakes and agrees that it will not Offer or sell any of the Notes in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirements is available;
- (z) the Subscriber acknowledges that, in addition to any other requirements under applicable securities legislation to which a disposition of any of the Notes by the Subscriber may be subject, the Subscriber may, depending on the nature of the disposition, be required to file a report of exempt distribution within ten (10) days of a disposition by the Subscriber of the Notes;

(aa) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Notes;

(bb) except as disclosed in writing to the Corporation, the Subscriber is not acting jointly or in concert with any other person or company for the purposes of acquiring securities of the Corporation;

(cc) the Subscriber is not a non-resident for the purposes of the *Income Tax Act* (Canada);

(dd) the Subscriber is not a “control person” of the Corporation, as that term is defined in the *Securities Act* (Alberta), will not become a “control person” of the Corporation by purchasing the number of Notes subscribed for under this Subscription Agreement and does not intend to act jointly or in concert with any other person to form a control group in respect of the Corporation;

(ee) the Subscriber has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation except as expressly set forth herein or in the Term Sheet;

(ff) none of the funds being used to purchase the Notes for which the Subscriber is subscribing are, to the best of the Subscriber’s knowledge, proceeds obtained or derived, directly or indirectly, as a result of illegal activities and:

i. the funds being used to purchase the Notes and advanced by or on behalf of the Subscriber to the Corporation do not represent proceeds of crime for the purpose of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “**PCMLTFA**”);

ii. the Subscriber is not a person or entity identified on a list established under section 83.05 of the *Criminal Code* (Canada) or in the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (the “**RIUNRST**”), the *United Nations Al-Qaida and Taliban Regulations* (the “**UNAQTR**”), the *Regulations Implementing the United Nations Resolution on the Democratic People’s Republic of Korea* (the “**UNRDPRK**”), the *Regulations Implementing the United Nations Resolution on Iran* (the “**RIUNRI**”), the *United Nations Côte d’Ivoire Regulations* (the “**Côte d’Ivoire Regulations**”), the *United Nations Democratic Republic of the Congo Regulations* (the “**Congo Regulations**”), the *United Nations Liberia Regulations* (the “**Liberia Regulations**”), the *United Nations Sudan Regulations* (the “**Sudan Regulations**”), the *Regulations Implementing the United Nations Resolutions on Somalia* (the “**RIUNRS**”), the *Special Economic Measures (Burma) Regulations* (the “**Burma Regulations**”), the *Special Economic Measures (Zimbabwe) Regulations* (the “**Zimbabwe Regulations**”), the *Special Economic Measures (Iran) Regulations* (the “**Iran Regulations**”), the *Regulations Implementing the United Nations Resolution on Eritrea* (the “**RIUNRE**”), the *Regulations Implementing the United Nations Resolution on Libya* (the “**Libya Regulations**”), the *Freezing Assets of Corrupt Foreign Officials (Tunisia and Egypt) Regulations* (the “**FACPA Tunisia and Egypt Regulations**”), the *Special Economic Measures (Syria) Regulations* (the “**SEMA Syria Regulations**”), the *Special Economic Measures (DPRK) Regulations* (the “**DPRK Regulations**”), the *Freezing Assets of Corrupt Foreign Officials (Ukraine) Regulations* (the “**Ukraine Regulations**”), the *Special Economic Measures (Russia) Regulations* (the “**Russia Regulations**”), the *Special Economic Measures (Ukraine) Regulations* (the “**Ukraine SEMA Regulations**”); the *United Nations (Iraq) Regulations* (the “**UNIR**”) the *Special Economic Measures (Venezuela) Regulations* (the “**SEMVR**”) or the *Justice for Victims of Corrupt Foreign Officials Regulations* (the “**Sergei Magnitsky Law Regulations**”);

iii. the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber’s name and other information relating to the Subscriber and any purchase of the Notes, on a confidential basis, pursuant to the PCMLTFA, the *Criminal Code* (Canada), the RIUNRST, the UNAQTR, the UNRDPRK, the RIUNRI, the Côte d’Ivoire Regulations, the Congo Regulations, the Liberia Regulations, the Sudan Regulations, the RIUNRS, the Burma Regulations, the Zimbabwe Regulations, the Iran Regulations, the RIUNRE, the Libya Regulations, the FACPA

Tunisia and Egypt Regulations, the SEMA Syria Regulations, the DPRK Regulations, Ukraine Regulations, Russia Regulations, the Ukraine SEMA Regulations, the UNIR, the SEMVR, the Sergei Magnitsky Law Regulations or as otherwise may be required by applicable laws, regulations or rules, and the Subscriber is deemed to have agreed to the foregoing;

- iv. to the best of the Subscriber's knowledge, none of the funds to be provided by the Subscriber to the Corporation are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and
- v. the Subscriber shall promptly notify the Corporation if the Subscriber discovers that any such representations cease to be true, and shall provide the Corporation with appropriate information in connection therewith.

(gg) the Subscriber acknowledges that the Corporation may complete additional financings in the future in order to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such future financings may have a dilutive effect on current Shareholders, including the Subscriber; and

(hh) the Subscriber acknowledges that an investment in the Notes is subject to a number of risk factors. In particular, the Subscriber acknowledges that the Corporation is not a reporting issuer in any province or territory of Canada and, as such, the hold period applicable to the Notes may never expire. There is currently no market for the Notes and none is expected to develop. It may be difficult or even impossible for a Subscriber to sell any of the Notes. Resale of such Notes will be subject to resale restrictions and will require the availability of exemptions from the prospectus requirements of applicable securities legislation, or the application for a discretionary order of the securities commission or similar regulatory authority in the subscriber's province of residence permitting the trade. The Subscriber covenants and agrees to comply with the relevant securities legislation, orders or policies concerning the purchase, holding of, and resale of the Notes.

- 4. **Timeliness of Representations, etc.** The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time (as defined herein), and will survive the completion of the distribution of the Notes and any subsequent disposition by the Subscriber of any of the securities.
- 5. **Indemnity.** The Subscriber acknowledges that the Corporation, its counsel and any Selling Agent are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Notes) to purchase Notes under the Offering, and hereby agrees to indemnify the Corporation and its directors, officers, employees, advisers, affiliates, shareholders and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Corporation at 4145 North Service Road, Suite 200 Burlington ON L7L 6A3 of any change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time.
- 6. **Deliveries by Subscriber prior to Closing.** The Subscriber agrees to deliver to the Corporation not later than 5:00 p.m. (Eastern Standard Time) on the day that is two business days before the applicable Closing Date of which the Subscriber receives notice:
 - (a) this duly completed and executed Subscription Agreement;
 - (b) a cheque, bank draft or electronic funds transfer made payable to "Beacon Consumer Holdings Inc." in an amount equal to the Aggregate Subscription Amount, or payment of the same amount in such other manner as is acceptable to the Corporation;

- (c) properly completed and duly executed copies of the appropriate investor qualification Schedules and Appendices as described on page 2 of this Subscription Agreement; and
- (d) such other documents as may be requested by the Corporation as contemplated by this Subscription Agreement.

7. **Consent to Collection of Personal Information.**

The Subscriber hereby acknowledges and agrees that:

- (a) pursuant to NI 45-106, delivery of the information pertaining to the Subscriber to the the securities regulatory authority or regulator is required as set out in Schedule 1 of Form 45-106F1 *Report of Exempt Distribution* (“**Form 45-106 F1**”), comprising the full name, residential address, telephone number and email address of the Subscriber, the number and type of securities of the Fund purchased by the Subscriber, the total purchase price of such securities, the exemption relied upon in connection with such purchase and the date of such distribution, the name of the person compensated for the distribution to the purchaser and whether the purchaser is a registrant or an insider of the fund (collectively, the “**Personal Information**”);
- (b) the Personal Information is being collected indirectly by the securities regulatory authority or regulator under the authority granted to it under securities laws;
- (c) the Personal Information is being collected for the purposes of the administration and enforcement of securities laws;
- (d) the title, business address and business telephone number of the public official in the local jurisdiction, as set out in Form 45-106F1, who can answer questions about the securities regulatory authority’s or regulator’s collection of Personal Information is as follows:

Alberta Securities Commission
 Suite 600, 250 – 5th Street SW
 Calgary, Alberta T2P 0R4
 Telephone: (403) 297-6454
 Toll free in Canada: 1-877-355-0585
 Facsimile: (403) 297-2082

British Columbia Securities Commission
 P.O. Box 10142, Pacific Centre
 701 West Georgia Street
 Vancouver, British Columbia V7Y 1L2
 Inquiries: (604) 899-6854
 Toll free in Canada: 1-800-373-6393
 Facsimile: (604) 899-6581
 Email: inquiries@bcsc.bc.ca

The Manitoba Securities Commission
 500 – 400 St. Mary Avenue
 Winnipeg, Manitoba R3C 4K5
 Telephone: (204) 945-2548
 Toll free in Manitoba 1-800-655-5244
 Facsimile: (204) 945-0330

Nova Scotia Securities Commission
 Suite 400, 5251 Duke Street
 Duke Tower
 P.O. Box 458
 Halifax, Nova Scotia B3J 2P8
 Telephone: (902) 424-7768
 Facsimile: (902) 424-4625

Government of Nunavut Department of Justice
 Legal Registries Division
 P.O. Box 1000, Station 570
 1st Floor, Brown Building
 Iqaluit, Nunavut X0A 0H0
 Telephone: (867) 975-6590
 Facsimile: (867) 975-6594

Ontario Securities Commission
 20 Queen Street West, 22nd Floor
 Toronto, Ontario M5H 3S8
 Telephone: (416) 593- 8314
 Toll free in Canada: 1-877-785-1555
 Facsimile: (416) 593-8122
 Email: exemptmarketfilings@osc.gov.on.ca

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnbc.ca

**Government of Newfoundland and Labrador
Financial Services Regulation Division**
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

**Government of the Northwest Territories
Office of the Superintendent of Securities**
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 920-8984
Facsimile: (867) 873-0243

Public official contact regarding indirect collection of information:
Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

Office of the Superintendent of Securities
Government of Yukon
Department of Community Services
307 Black Street, 1st floor
Box 2703, C-6
Whitehorse, Yukon Y1A 2C6
Telephone: (867) 667-5466
Facsimile: (867) 393-6251
Email: Securities@gov.yk.ca

(e) the Subscriber hereby authorizes the indirect collection of Personal Information by the securities regulatory authority or regulator and any other applicable securities regulatory authority.

(f) If the Subscriber is an individual, the Subscriber further acknowledges that the Subscriber has provided, in this Subscription Agreement, to the Corporation information of a personal nature that may or may not be protected under applicable privacy legislation. This information is being collected, used and may be disclosed by the Corporation for the following purposes (the “**Purposes**”):

- i. in order to complete the Offering;
- ii. to be kept in the corporate records of the Corporation, on its securities registers and lists of holders of Notes, maintained by the Corporation and/or the Corporation’s transfer agent;
- iii. to be disclosed to securities/tax regulatory authorities or other government bodies as required and in accordance with applicable securities laws and tax laws;

- iv. as long as the Subscriber is a holder of Notes, to be disclosed to other third parties held to an obligation of confidentiality to the Corporation such as its legal counsel, its accountants, transfer agent, securities depository, or any other entity for: (i) the purpose of sending financial statements and other disclosure documentation required to be sent by applicable laws to the holders of Notes, and/or (ii) in the context of a proposed merger, business combination, acquisition, takeover bid or such other major transaction involving the Corporation and such other third party; and
- v. to enforce the obligations contemplated by this Subscription Agreement.

The Subscriber or the person subscribing for the Notes on behalf of a disclosed beneficial purchaser hereby consents to the collection, use and disclosure by the Corporation of such personal information for the Purposes.

- 8. **Partial Acceptance or Rejection of Subscription.** The Corporation may, in its absolute discretion, accept or reject the Subscriber's subscription for Notes as set forth in this Subscription Agreement, in whole or in part, and the Corporation reserves the right to allot to the Subscriber less than the amount of Notes subscribed for under this Subscription Agreement.

Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon among other things, the sale of the Notes to the Subscriber being exempt from any prospectus and offering memorandum requirements of applicable securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon the delivery at Closing of the certificates representing the Notes to the Subscriber or upon the direction of the Subscriber in accordance with the provisions hereof.

If this Subscription Agreement is rejected in whole, any cheque(s) or bank draft(s) delivered by the Subscriber to the Corporation on account of the Aggregate Subscription Amount for the Notes subscribed for will be promptly returned to the Subscriber without interest or deduction. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Corporation exceeds the subscription price of the number of Notes sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement, will be promptly delivered to the Subscriber without interest or deduction.

- 9. **Time and Place of Closing.** The sale of the Notes will be completed at the offices of the Corporation, in Burlington, Ontario, at 10:00 a.m. (Eastern Standard Time) or in such other manner or at such other time as the Corporation may determine (the "**Closing Time**") on the Closing Date. The Corporation reserves the right to close the Offering in multiple tranches, so that one or more closings may occur after the initial closing.
- 10. **Subject to Regulatory Approval.** The obligations of the parties hereunder are subject to all required regulatory approvals being obtained.
- 11. **Representations and Warranties of the Corporation.** The Corporation hereby represents and warrants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
 - (a) the Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Notes to the Subscriber;
 - (b) the Corporation is duly incorporated and validly subsisting, and is qualified to carry on business in each jurisdiction in respect of which the carrying out of the activities contemplated hereby makes such qualification necessary;
 - (c) the Corporation has complied or will comply with all applicable corporate and securities laws in connection with the offer and sale of the Notes;

- (d) upon acceptance by the Corporation, this Subscription Agreement shall constitute a binding obligation of the Corporation enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the general principles of equity including the fact that specific performance is available only in the discretion of the court; and
- (e) the execution, delivery and performance of this Subscription Agreement by the Corporation and the issue of the Notes to the Subscriber pursuant hereto does not and will not constitute a breach of or default under the constating documents of the Corporation, or any law, regulation, order or ruling applicable to the Corporation, or any agreement to which the Corporation is a party or by which it is bound.
12. **No Partnership.** Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.
13. **Governing Law.** The contract arising out of acceptance of this Subscription Agreement by the Corporation shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
14. **Time of Essence.** Time shall be of the essence in this Subscription Agreement.
15. **Entire Agreement.** This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
16. **Facsimiled Subscription Agreements.** The Corporation shall be entitled to rely on delivery by facsimile or email of an executed copy of this Subscription Agreement, and acceptance by the Corporation of such facsimile or email copy shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.
17. **Counterparts.** This Subscription Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.
18. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
19. **Survival.** The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
20. **Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof.
21. **Currency.** In this Subscription Agreement, all references to money amounts are to Canadian dollars.
22. **Amendment.** Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.

23. **Costs.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Notes to the Subscriber shall be borne by the Subscriber.
24. **Withdrawal.** The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.
25. **Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.
26. **Language.** The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Notes be drawn up in the English language only. **Le souscripteur reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des billets soient rédigés en anglais seulement.**

SCHEDULE A

Form 45-106 F9
Form for Individual Accredited Investors

THIS FORM IS TO BE COMPLETED BY ACCREDITED INVESTORS WHO ARE INDIVIDUALS

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Series Alpha3 Notes	Issuer: Beacon Consumer Holdings Inc.
Purchased from: Beacon Consumer Holdings Inc.	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	
	Your initials
Risk of loss- You could lose your entire investment of \$ _____. [Instruction: Insert the total dollar amount of the investment.]	
Liquidity risk- You may not be able to sell your investment quickly- or at all.	
Lack of information- You may receive little or no information about your investment.	
Lack of advice- You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited Investor status	
■ You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria. Your initials	
■ Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
■ Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
■ Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
■ Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:

Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON**5. Salesperson information**

First and last name of salesperson (please print):

Telephone::

Email:

Name of firm (if registered):

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER**6. For more information about this investment**

For investment in a non-investment fund

Beacon Consumer Holdings Inc. Attention:
Greg Nelson
4145 North Service Road, Suite 200
Burlington ON
L7L 6A3 Canada
905 639-3173
info@beaconconsumerholdings.com

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca .

INSTRUCTION: THE PURCHASER MUST SIGN 2 COPIES OF THIS FORM. THE PURCHASER AND THE ISSUER MUST EACH RECEIVE A SIGNED COPY.

SCHEDULE A

Form 45-106 F9
Form for Individual Accredited Investors

THIS FORM IS TO BE COMPLETED BY ACCREDITED INVESTORS WHO ARE INDIVIDUALS

WARNING!

**This investment is risky. Don't invest unless you can afford to lose all the money you pay
for this investment.**

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Series Alpha3 Notes	Issuer: Beacon Consumer Holdings Inc.
Purchased from: Beacon Consumer Holdings Inc.	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	
	Your initials
Risk of loss- You could lose your entire investment of \$_____. [Instruction: Insert the total dollar amount of the investment.]	
Liquidity risk- You may not be able to sell your investment quickly- or at all.	
Lack of information- You may receive little or no information about your investment.	
Lack of advice- You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited Investor status	
■ You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria. Your initials	
■ Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
■ Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
■ Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
■ Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
First and last name of salesperson (please print):	
Telephone::	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p>For investment in a non-investment fund</p> <p>Beacon Consumer Holdings Inc. Attention: Greg Nelson 4145 North Service Road, Suite 200 Burlington ON L7L 6A3 Canada 905-639-3173 info@beaconconsumerholdings.com</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca .</p>	

INSTRUCTION: THE PURCHASER MUST SIGN 2 COPIES OF THIS FORM. THE PURCHASER AND THE ISSUER MUST EACH RECEIVE A SIGNED COPY.

SCHEDULE B

ACCREDITED INVESTOR REPRESENTATION LETTER FOR NON-INDIVIDUAL INVESTORS

TO: Beacon Consumer Holdings Inc. (the “Corporation”)

In connection with the purchase of notes (the “**Series Alpha3 Notes**”) of the Corporation by the undersigned subscriber (the “**Subscriber**”) for the purposes of this Schedule B), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is resident in the jurisdiction as set forth on the face page of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Series Alpha3 Notes as principal for its own account and not for the benefit of any other person;
3. The Subscriber is an “accredited investor” within the meaning of NI 45-106 or Section 73.3 of the *Securities Act* (Ontario) (as applicable) by virtue of satisfying the indicated criterion as set out in Appendix A to this Accredited Investor Representation Letter;
4. The Subscriber was not created or used solely to purchase or hold securities pursuant to an exemption available under NI 45-106 and Section 73.3 of the *Securities Act* (Ontario); and
5. Upon execution of this Schedule B by the Subscriber, this Schedule B shall be incorporated into and form a part of the Subscription Agreement.

The statements made in this Accredited Investor Representation Letter are true and accurate as of the date of signing and will be true and accurate as of the Closing Date. If any such representations and warranties shall cease to be true and accurate at any time prior to Closing, the Subscriber will promptly notify the Corporation.

Dated: _____, 20_____.

Print name of Subscriber

Per:

Signature

Print name of Signatory (if different from Subscriber)

Title

**IMPORTANT: PLEASE INITIAL THE CATEGORY OR CATEGORIES IN APPENDIX
A ON THE NEXT PAGE THAT DESCRIBES THE INVESTOR**

APPENDIX A

TO SCHEDULE B

NOTE: THE INVESTOR MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

Accredited Investor- (as defined in National Instrument 45-106 and Section 73.3 of the *Securities Act* (Ontario)) means:

YOUR INITIALS	
	(a) a Canadian financial institution, or a Schedule III bank,
	(b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada),
	(c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
	(d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,
	(e) NOT APPLICABLE TO NON-INDIVIDUAL INVESTORS
	(e.1) NOT APPLICABLE TO NON-INDIVIDUAL INVESTORS
	(f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
	(g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,
	(h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
	(i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,
	(j) NOT APPLICABLE TO NON-INDIVIDUAL INVESTORS
	(j 1) NOT APPLICABLE TO NON-INDIVIDUAL INVESTORS
	(k) NOT APPLICABLE TO NON-INDIVIDUAL INVESTORS
	(l) NOT APPLICABLE TO NON-INDIVIDUAL INVESTORS
	(m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements,
	(n) an investment fund that distributes or has distributed its securities only to

	<p>i. a person that is or was an accredited investor at the time of the distribution,</p> <p>ii. a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds], or</p> <p>iii. a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment],</p>
	(o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt,
	(p) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,
	(q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,
	(r) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
	(s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,
	(t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
	(u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,
	(v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or
	(w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse;

For the purposes hereof:

- (a) **“Canadian financial institution”** means
- (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) **(ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league**

that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) **“control person”** has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds:

- (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or
- (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

(c) **“Director”** means:

- (i) a member of the board of Directors of a company or an individual who performs similar functions for a company, and
- (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a

Director of a company;

(d) **“eligibility adviser”** means:

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
 - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

(e) **“executive officer”** means, for an issuer, an individual who is:

- (i) a chair, vice-chair or president,
- (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
- (iii) an Officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or
- (iv) performing a policy-making function in respect of the issuer;

- (f) **“foreign jurisdiction”** means a country other than Canada or a political subdivision of a country other than Canada;
- (g) **“founder”** means, in respect of an issuer, a person who,
- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the distribution or trade is actively involved in the business of the issuer;
- (h) **“fully managed account”** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;
- (i) **“investment fund”** has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- (j) **“jurisdiction”** means a province or territory of Canada except when used in the term foreign jurisdiction;
- (k) **“local jurisdiction”** means the jurisdiction in which the Canadian securities regulatory authority is situate;
- (l) **“non-redeemable investment fund”** means an issuer,
- i. whose primary purpose is to invest money provided by its security holders;
 - ii. that does not invest;
 - A. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
 - B. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
 - iii. that is not a mutual fund;
- (m) **“person”** includes:
- (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;
- (n) **“regulator”** means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;
- (o) **“Schedule III bank”** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada); and

- (p) **“subsidiary”** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

All monetary references are in Canadian Dollars

SCHEDULE C

If the Notes are being sold by a person pursuant to the terms and conditions of the applicable Blanket Orders in the Northwest Exemption Jurisdictions, then this Schedule C must be completed.

Risk Acknowledgement

Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions

Name of Issuer: BEACON CONSUMER HOLDINGS INC.

Name of Seller: _____

I acknowledge that:

- (a) the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- (b) the person selling me these securities does not act for me;
- (c) this is a risky investment and I could lose all my money; and
- (d) I am investing entirely at my own risk.

Date: _____, 20____

Signature of Purchaser

Print name of Purchaser

Name of salesperson acting on behalf of Seller

Sign two copies of this document. Keep one copy for your records.

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If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered advisor or dealer.

SCHEDULE C

If the Notes are being sold by a person pursuant to the terms and conditions of the applicable Blanket Orders in the Northwest Exemption Jurisdictions, then this Schedule C must be completed.

Risk Acknowledgement		W A R N I N G
Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions		
Name of Issuer: <u>BEACON CONSUMER HOLDINGS INC.</u>		
Name of Seller: _____		
I acknowledge that:		
(a) the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;		
(b) the person selling me these securities does not act for me;		
(c) this is a risky investment and I could lose all my money; and		
(d) I am investing entirely at my own risk.		
Date: _____, 20____	_____ Signature of Purchaser	
_____ Name of salesperson acting on behalf of Seller		
Sign two copies of this document. Keep one copy for your records.		

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered advisor or dealer.