ACASTA ENTERPRISES INC.

ANNUAL INFORMATION FORM

FISCAL YEAR ENDED DECEMBER 31, 2016

MARCH 30, 2017

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INTRODUCTION

General

In this Annual Information Form ("**AIF**"), unless the context otherwise requires, "Acasta", the "Corporation" or "we" or "us" or "our" refers to Acasta Enterprises Inc. Unless otherwise indicated, references to "dollars" and "$" are to Canadian dollars.

Unless otherwise indicated, the information contained herein is given as at December 31, 2016.

Forward-looking Statements

The Corporation's public communications may include written or oral forward-looking statements. Statements of this type are included in this AIF, and may be included in other filings with the Canadian regulators, stock exchanges or in other communications. All such statements constitute forward-looking information within the meaning of securities law and are made pursuant to the "safe harbour" provisions of applicable securities laws. Forward-looking statements may include, but are not limited to, statements concerning expectations regarding industry trends, overall market growth rates and the Corporation's growth rates, Acasta's future objectives and strategies to achieve those objectives, including, without limitation, its plans to raise its first private equity fund and expected benefits to be realized from forming and managing private equity funds, the expected benefits of the Qualifying Acquisition (as hereinafter defined) to, and resulting treatment of, shareholders of Acasta and holders of the Warrants (as hereinafter defined), the anticipated effects of the Qualifying Acquisition, the intention to implement a dividend policy, expectations regarding future director and executive compensation, and the implementation of corporate governance practices and appointment of directors to the Board (as hereinafter defined). Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Corporation's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors. The forward-looking information contained in this AIF is presented for the purpose of assisting shareholders in understanding the Corporation's business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes.

A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward-looking statements contained in this AIF, including, among other factors, those referenced in the section entitled "Risk Factors" in this AIF.

Forward-looking statements contained in this AIF are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and to not place undue reliance on forward-looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be expressly required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

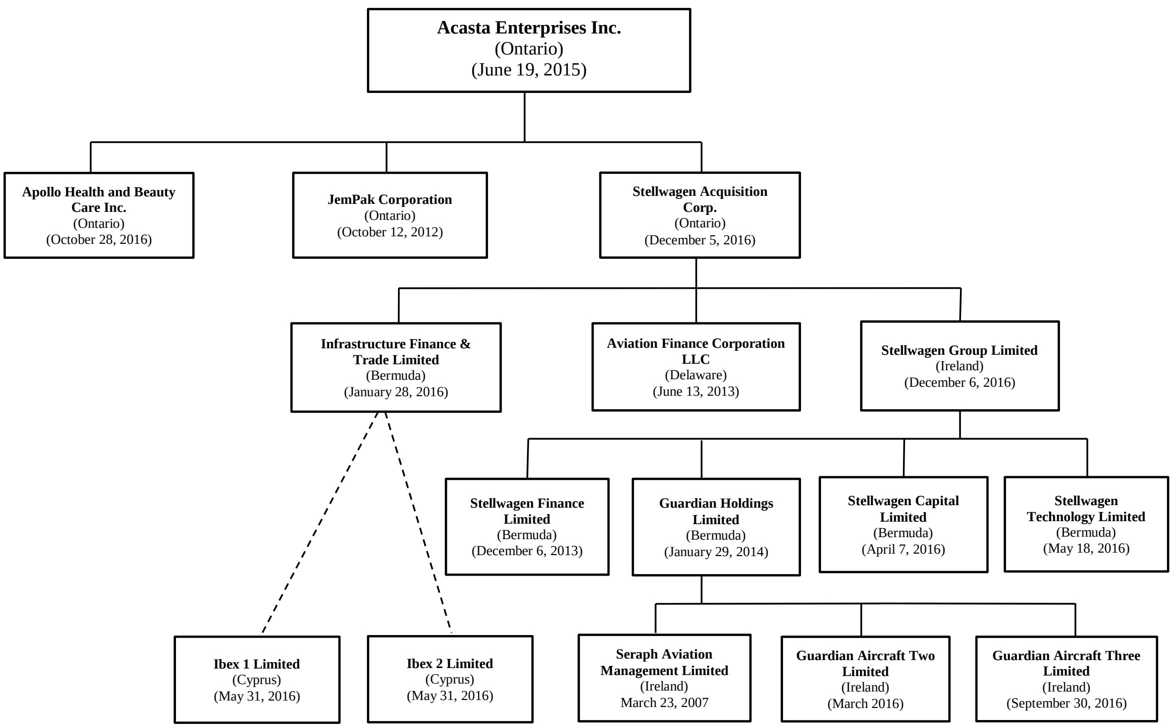
CORPORATE STRUCTURE

Name, Address and Incorporation

Acasta Enterprises Inc. was incorporated under the *Business Corporations Act* (Ontario) on June 19, 2015. Our head office and the registered office are located at 150 Bloor Street West, Suite 310, Toronto, Ontario M5S 2X9.

As at December 31, 2016, the Corporation did not have subsidiaries or investments in other entities. On January 3, 2017, Acasta announced the closing (the "**Closing**") of its qualifying acquisition under Part X of the TSX Company Manual (the "**Qualifying Acquisition**") of 100% of three businesses, alongside Acasta's launch as a long-term investment and private equity management firm. Acasta acquired a best-in-class commercial aviation finance advisory and asset management business, Stellwagen Group ("**Stellwagen**") and two leading private label consumer staples businesses, Apollo Health and Beauty Care Partnership and Apollo Laboratories Inc. (collectively, "**Apollo**") and JemPak Corporation ("**JemPak**"). See "General Development of the Business – Qualifying Acquisition".

The organizational chart below illustrates the inter-corporate relationships of Acasta and its material subsidiaries, including their jurisdiction of incorporation in parentheses.



GENERAL DEVELOPMENT OF THE BUSINESS

Initial Public Offering

On July 30, 2015, the Corporation completed its initial public offering ("**IPO**") as a special purpose acquisition corporation of 35,000,000 Class A restricted voting units ("**Class A Units**") at a price of $10.00 per Class A Unit for aggregate gross proceeds of $350,000,000 (the "**IPO Closing**"). Concurrent with the IPO Closing, Acasta founders (the "**Founders**") purchased an aggregate of 1,400,000 class B units of the Corporation (the "**Class B Units**") at an offering price of $10.00 per Class B Unit, resulting in aggregate proceeds of $14,000,000 to the Corporation. Prior to the consummation of the IPO, on July 22, 2015, the Founders purchased 10,442,031 Class B Shares (referred to as the "**Founders' Shares**") for an aggregate purchase price of $25,000, or $0.0027 per Class B Share.

Subsequently, on August 5, 2015 the Corporation completed the issuance of an additional 5,250,000 Class A Units at a price of $10.00 per Class A Unit for aggregate gross proceeds of $52,500,000 pursuant to the exercise in full by the IPO underwriters of the IPO over-allotment option which was granted to them (the "**IPO Over-Allotment Option**"). Concurrently with the closing of the IPO Over-Allotment Option, the Founders purchased an aggregate of 118,124 Class B Units at an offering price of $10.00 per Class B Unit, resulting in additional aggregate proceeds of $1,181,240 to the Corporation.

Effective September 8, 2015, both the Class A Units, each consisting of one Class A restricted voting share ("**Class A Share**") and one-half of a warrant, and Class B Units, each consisting of one Class B Share and one-half of a warrant, separated. Upon separation, the Class A Shares and warrants underlying the Class A Units commenced trading separately on the Toronto Stock Exchange (the "**TSX**").

The proceeds from the distribution of the Class A Units pursuant to the IPO and the IPO Over-Allotment Option were deposited into an escrow account with TSX Trust Company, as escrow agent, and invested in permitted investments.

Qualifying Acquisition

On closing of the Qualifying Acquisition, Acasta (through its wholly owned subsidiaries) acquired:

(a) substantially all of the assets of Apollo for a total purchase price of $393,221,710 million, and satisfied by (i) the delivery of $136,837,750 in cash, (ii) the assumption of $22,500,000 in indebtedness, and (iii) the issuance of 23,388,396 Class B Shares at $10.00 per share;

(b) all of the issued and outstanding shares in the capital of JemPak for a total purchase price of $134,589,500 million, and satisfied by (i) the delivery of $67,089,500 in cash, and (ii) the issuance of 6,750,000 Class B shares at $10.00 per share; and

(c) all of the issued and outstanding equity interests comprising Stellwagen for a total purchase price equal to $324,829,923 million, and satisfied by (i) the delivery of $96,545,743 in cash, and (ii) the issuance of 22,828,418 Class B Shares at $10.00 per share.

Concurrent with Closing, Acasta completed a private placement of Class B shares at $10.00 per Class B Share for aggregate proceeds of approximately $160 million, including $130 million from certain of Acasta's largest institutional shareholders and new investors and $30 million from Acasta's Founders. Acasta also issued approximately 6.3 million Class B Shares to the vendors of Apollo and Stellwagen under each of their respective backstop commitments.

On Closing, all of the Class A Shares of Acasta that were not submitted for redemption prior to Acasta's shareholder meeting to approve the Qualifying Acquisition were automatically converted into Class B Shares on the basis of one Class B Share for each Class A Share converted. Each redeeming holder of Class A Shares received an amount per Class A Share equal to $10.04 per Class A Share so redeemed. After payment of the deferred underwriting commission to the underwriters of Acasta's initial public offering of Class A Units, the remaining proceeds held in escrow were released therefrom, and used to fund a portion of the purchase price for the Qualifying Acquisition.

Following Closing, there were 92,677,798 Class B Shares issued and outstanding and 20,884,062 warrants to purchase Class B Shares (the "**Warrants**") outstanding. Each full Warrant became exercisable commencing 30 days following Closing to purchase one Class B Share at an exercise price of $11.50 until January 3, 2022.

The Class B Shares commenced trading on the Toronto Stock Exchange on January 6, 2017 under the symbol AEF, concurrent with the delisting of the Class A Shares.

DESCRIPTION OF THE BUSINESS

Overview

As at December 31, 2016, Acasta was a special purpose acquisition corporation incorporated under the laws of the Province of Ontario for the purpose of effecting a qualifying acquisition, more specifically an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation.

On January 3, 2017, Acasta announced the Closing of the Qualifying Acquisition. The three acquisitions formed two distinct investment platforms: (1) private label consumer staples (Apollo and Jempak); and (2) aviation finance and asset management (Stellwagen). The acquisitions are the cornerstone of Acasta's launch as a leading long-term investment and private equity management firm.

Apollo

Apollo is one of the largest private label personal care product manufacturers in North America, developing and manufacturing retailer-branded and private label products for major North American retailers. Apollo's products are sold in 10's of thousands of stores across North America and its customer base spans across major North American grocery, drug, and mass merchandise retailers, as well as wholesale clubs. In addition to private label, Apollo also manufactures products on a contract basis for many of its clients. See "– The Business of Apollo".

JemPak

JemPak manufactures and distributes private label (store brand) laundry and dish cleaning products, including monodose dish and laundry packs, liquid laundry detergents and related chemicals, for mass merchandise, super, drug, club and dollar stores. JemPak has entrenched relationships with large North American retailers. JemPak's focus on R&D offers formulation, processing and manufacturing capabilities that we believe are difficult for its competitors to match. See "– The Business of JemPak".

Stellwagen

Based in Dublin, Ireland, Stellwagen is a fully-integrated financial services provider of asset management, technical management, and fleet and capital financing solutions to the global aviation industry and aviation investors. Since its founding, Stellwagen's revenue and net income have increased from year-to-year. During this time, Stellwagen has grown to over 30 employees and developed a diversified business model, including advisory, aircraft management, investment management and a pre-revenue technology platform. See "– The Business of Stellwagen".

In partnership with the management teams of the three initial acquisitions, Acasta is seeking to drive shareholders value through a combination of: (i) organic growth, synergies and acquisitions within the private label consumer staples business; (ii) accelerating growth and broadening the recurring revenue base of the aviation finance and asset management business; and (iii) realizing management fees and carried interest income generated from Acasta's role as the general partner and manager of its planned private equity funds.

The Business of Acasta

Acasta's directors, Anthony Melman, Belinda Stronach, Geoff Beattie and Johan Eliasch, and executive officers, lead or have led, major public and private Canadian and international corporations. Acasta believes that having directors that are, or have been, in such positions at large enterprises allows us to access unique acquisition opportunities, transaction insights, and operational excellence.

Our Private Equity Philosophy & Objectives

Acasta is an active, long-term, value-oriented investment manager looking to invest in selected industries primarily in North America. Acasta's objective is to generate substantial value for its investors by utilizing the deep experience and proven business acumen of its board of directors (the "**Board**") and executive officers. Acasta will support the evolution of its businesses by combining capital, innovation, and entrepreneurship to drive business growth, competitive distinction and operational excellence.

Acasta's core philosophy and purpose is to build exceptional value for shareholders by acquiring companies in highly attractive business sectors with attributes that include:

- Strategic differentiation of products or services;
- Exceptional management teams;
- Acquisition and organic growth opportunities;
- Sustainable and strong free cash flow;
- Potential improvements in business processes, working capital and profitability;
- Balanced risk return profile; and
- Connectivity to the extensive experience of the Board and our management.

Acasta will negotiate, structure and finance acquisitions with a tactical mix of open-minded creativity and prudence. Acasta will initiate performance driven management incentive plans within each of its portfolio companies to ensure complete alignment with its investment objectives and return hurdles.

Acasta plans to focus on additional investment opportunities in its pipeline directly or through a series of long-term private equity funds, the first of which it plans to launch during 2017.

Acasta's acquired businesses may, as appropriate, be sold into the planned private equity fund, unlocking capital for Acasta to finance other acquisitions, seed additional asset management funds, repurchase Acasta shares or pay special non-recurring dividends. Alternatively, Acasta may spin out these businesses to shareholders at an appropriate time in the strategic evolution and growth in value of each respective business. These strategies may also serve to provide additional capital to the applicable business to further expand its scope and scale.

Acasta's private equity fund management model will enable it to offer vendors both the flexibility and attractiveness of private capital through its private equity fund and liquid public capital through Acasta equity, allowing it to pursue a variety of transaction alternatives. Acasta views its ability to fund acquisitions through its private equity funds, through Acasta directly, or in combination, as a key differentiator. Acasta will manage any conflicts between direct and fund investment through a framework which considers the appropriateness of each acquisition to Acasta and the applicable fund. The investment platforms will have a right of first refusal for potential acquisition opportunities to facilitate their continued growth through the consolidation of highly strategic targets.

Business Execution

Effective execution of Acasta's business, at all levels, is a top priority and will be the key determinant of Acasta's future success. We have extensive experience in leading, financing, investing in, and advising companies across a broad range of sectors. We also have extensive transactional experience and have demonstrated the ability to create substantial value in businesses across a number of different industries at different stages of development. Acasta's initial acquisitions demonstrate its ability to identify and execute multiple acquisitions in diverse business segments covering several jurisdictions.

We will be proactively involved as partners with the chief executive officers and senior management teams of our acquired businesses. Our key role will be to broaden the strategic thinking and identify initiatives and opportunities that will create value for shareholders. We will not be involved in the daily operating decisions of such businesses. In this way, we will empower the respective company's leadership to reach beyond existing expectations by expanding the strategic envelope of opportunity. Additionally, we will help drive returns through a focus on operational improvements and capital structuring. Acasta's management team will play a key role in helping its companies realise their growth potential and enhance their performance by investing capital prudently and providing complementary operating support.

Our Investment Criteria and Guidelines

Acasta focuses on building portfolio companies into profitable, stand-alone, large-cap enterprises. We pursue acquisitions that represent a platform for substantial growth, as well as undervalued businesses or assets where we believe we can maximize value through company reorganization or streamline operations to drive strong investment performance.

(a) Identifying Attractive Industries

Acasta targets acquisitions that we believe will perform well over a long time horizon. A key part of our analysis is to identify industries with a strong long-term growth outlook and to select a target acquisition that we believe is well-positioned to benefit from demographic shifts and technological advancements. Our investment team devotes significant time and resources to identifying attractive industries in which future investments can be made. The process of evaluating the attractiveness of an industry includes interviewing executives of multinational companies, initiating discussions with industry experts and drawing upon the previous experience of the Board and Acasta's executive officers.

(b) Targeting Fundamentally Sound Companies With Significant Potential

Acasta invests in companies that exhibit solid business fundamentals and possess strong competitive positioning within their respective industries. We will be extremely discerning when evaluating the strengths and weaknesses of target businesses in order to identify targets that we believe are best-positioned to grow market share, enhance profitability and which demonstrate distinct competitive advantages relative to its peers.

(c) Attractive Return on Investment Relative to Risk Profile

We evaluate businesses based on attractive risk-adjusted returns on a target's long-term growth potential weighed against the downside risks inherent in the business, as well as its ability to generate strong cash flows. We avoid companies with speculative business plans or excessive leverage in order to limit downside risk.

(d) Scope of Growth Opportunities

In addition to targeting businesses that we believe will present strong organic growth potential, Acasta seeks to acquire businesses or assets that present opportunities for platform growth through roll-up acquisitions. This includes vertical and horizontal acquisitions that may beneficially expand the scale, market positioning, and scope of our identified target.

(e) Selecting Exceptional Management Teams

Of paramount importance to us is the strength and leadership of the management team. As such, we seek a best-in-class management team, based on their experience, technical capabilities, work ethic and strategic vision.

In addition, we believe that managers in each investment target must have ownership with a meaningful personal financial interest. As such, we:

- Seek management teams that: (i) have a results-oriented culture, but which balance short-term objectives with long-term goals; and (ii) embrace the principles of operational excellence and improvements in enterprise-wide processes, which guide competiveness and long-term profitability; and

- Implement compensation structures designed to ensure long-term alignment between management and investors.

(f) Unlocking Intrinsic Value

Acasta seeks situations where acquired targets have hidden value in terms of latent and underdeveloped potential. We leverage the operational experience and financial acumen of our Board and executive officers to focus on generating value for our investors. We expect value creation to originate from operational improvements, synergistic acquisitions and strategic growth initiatives, as opposed to financial engineering or market multiple expansions.

Our primary targets include:

- ***Carve-Outs of Non-Core Assets*** **–** Non-core divisions or business segments of larger companies that have not reached their full potential due to lack of management focus, lack of strategic initiatives or limited capital for investment.

- ***Privately Owned or Closely Held Businesses*** – Family-owned or privately held companies that have transition, growth capital or other planning needs in order to drive growth and value creation.

- ***Undercapitalized Businesses*** – Companies that require capital or capital structure optimization to support increased growth such as new product development, new equipment investment or strategic acquisitions.

- ***Business Unit Optimizations*** – Companies that have multiple business lines, which may be underperforming due to a lack of transparency, poor capital allocation, excessive overhead, or suboptimal synergies between business lines.

Employees

As at December 31, 2016, the Corporation had no full-time employees located at our Toronto, Ontario office. The Corporation and Acasta Capital have entered into a cost sharing agreement pursuant to which the Corporation has agreed to pay its share, as incurred, of any salaries, rent and other expenses incurred in respect of personnel and offices of Acasta Capital, to be allocated between the Corporation and Acasta Capital in accordance with usage. Details regarding the employees of our subsidiaries are set out below.

Investee Companies

The Business of Apollo

<u>Overview</u>

Apollo is one of the largest private label personal care product manufacturers in North America, developing and manufacturing retailer-branded and private label products for major North American retailers. Apollo’s products are sold in tens of thousands of stores across North America and its customer base spans across major North American grocery, drug, and mass merchandise retailers, as well as wholesale clubs. In addition to private label, Apollo also manufactures products on a contract basis for many of its clients.

Apollo was founded in 1993 with one manufacturing facility located in Toronto, Ontario, and began operations as a producer and seller of private label personal care products in Canada. Apollo has since expanded to the United States and Mexico private label market by supplying major retailers' needs for private label personal care. Apollo currently operates a centralized design and manufacture facility in Toronto which is capable of manufacturing stock keeping units ("**SKUs**") in nearly any liquid product category.

In each of the past 14 years, Apollo has been named one of "Canada's 50 Best Managed Companies", in a survey by Deloitte LLP[1] and is part of the Platinum Club that includes winners for seven years or more.[2] Apollo was also granted the "Supplier Award of Excellence for Personal Care" by Walmart in 2007. In 2011 Apollo was selected as CVS' "Personal Care Supplier of The Year Award" recipient. In 2015, Apollo was awarded Kmart "Partner of the Year Award".

Products

Apollo manufactures over 16 product lines, each of which falls into one of the following five main product categories: (i) body wash; (ii) soap and hand sanitizer; (iii) hair care; (iv) skin care; and (v) others. The following table sets out Apollo's five major product categories and the principal products manufactured in each product category. Apollo's products are backed by advanced formulations and constant evaluation of performance in order to assure high quality.

Product category	**Product**
Body wash	Body wash
Soap and hand sanitizer	Antibacterial soap Non-antibacterial soap Hand sanitizer
Hair care	Conditioner Shampoo Hair spray
Skin care	Cleanser Face cream and face scrub Scrubs – hand / foot / body Lotion – body / hand Ointment
Other	Foam bath Mouth wash Surface cleaner Nutraceutical

1 Canada's Best Managed Companies 2016, Deloitte LLP.

2 Canada's Best Managed Companies – Platinum Club, Deloitte LLP.

Body Wash

Body wash is the largest selling item produced by Apollo in terms of dollars. It represents one of the highest usage categories within the personal care industry, as well as a high price point for national brands. Apollo has developed a reputation for high-quality private label body wash products and Apollo is one of the leading suppliers in North America in this category. Apollo's body wash products comprised approximately 500 SKUs as of December 2016.

Soap and Hand Sanitizer

Apollo manufactures and sells liquid soap and hand sanitizer products under approximately 20 store brands or private labels. These products are available in unscented as well as scented varieties. Soap and hand sanitizer products feature attractive consumer packaging labelled to customers' specifications, often matching the sizes and quality of leading brands. Apollo's soap and hand sanitizer products comprised approximately 700 SKUs as of December 2016.

Hair Care

Hair care products are sold by Apollo primarily to retailers, including prominent retail chains. Apollo's hair care products have high quality packaging and compete with branded products in their category. Apollo's hair care products comprised approximately 400 SKUs as of December 2016.

Skin Care

The skin care category comprises approximately 180 SKUs, including cleansers, face creams, scrubs, lotions and ointments and sells under numerous retailer labels. Apollo's skin care products comprised approximately 200 SKUs as of December 2016.

Others

Products classified under this category include foam bath, mouthwash, surface cleaner and nutraceuticals. Apollo sells its products in this category primarily to North American grocery, drug and mass merchandise retailers. Apollo's products in this category comprised approximately 250 SKUs as of December 2016.

Sales and Marketing

As of December 31, 2016, Apollo's internal sales and marketing team consisted of eight employees. Apollo also sells its products through an external commission broker network and through established retailer designated in-house brokers who have relationships with many of the larger retailers.

Manufacturing and Operations

Apollo's leased, 486,000 square foot product development and manufacturing facility is located in Toronto, Ontario and has a LEED (Leadership in Energy and Environmental Design) Silver Certified designation. This facility has been planned and constructed with environmental sustainability practices in mind. Apollo believes that manufacturing competency is an integral component in consistently providing high quality products at competitive prices. This newly-built facility employs advanced technology and processes which allows it to be energy efficient and cost effective. Factors that have enabled Apollo to be at the forefront of their industry include:

- Utilizing advanced filling and compounding equipment to deliver superior quality, consistency, and scalability in all product SKUs.

- Incorporating advanced, streamlined water compounding and effluent treatment systems to provide a cost-effective method of purifying all water to pharmaceutical grade.

- Implementing natural heat and cooling systems which increase the efficiency of heating, ventilation, and air conditioning systems.

- Adoption of natural light concentration sources to reduce the need for conventional lighting, and utilizing energy efficient LED lighting.

- Employing rigorous production standards, allowing Apollo to produce the significant breadth of SKUs in the product categories that it manufactures.

Suppliers

Apollo's manufacturing operations require several key commodity inputs, the most significant of which are resin (which is used in the manufacture of molded packaging), fragrances, surfactants and linerboard (to manufacture the boxes in which Apollo products are cased). Currently, raw materials comprise approximately 60% of cost of goods sold. Apollo's facility is strategically located in proximity to a wide selection of quality suppliers, creating cost efficiencies and a greater ability to respond to evolving market opportunities.

Competition

The private label personal care manufacturing industry is fragmented and it is comprised primarily of competitors whose operations are limited to one or two limited-scale manufacturing facilities. The smaller-scale nature of such competitors, coupled with high freight costs (primarily liquid based products), has caused many industry operators to produce only a relatively small number of SKUs that are typically distributed to customers in a limited geographical region.

Apollo also competes against national brands and other larger-scale private label manufacturers. Over the last five years, branded products' market share in the personal care industry has declined, which management believes is due in part to consumers' acceptance of private label products. Apollo's key competitors (national brands and private label) include:

- Church & Dwight Co., Inc. ("**C&D**"), which provides branded consumer packaged goods to the global marketplace. C&D's personal care segment offers oral care, deodorants and personal cleansing products under the Aim, Arm & Hammer, Arrid and Pepsodent brands.

- Colgate-Palmolive Company ("**Colgate**"), which provides branded consumer packaged goods to the global marketplace. Colgate's personal care segment offers hair care, oral care, deodorants, personal cleansing, and skin care products under the Colgate, Speed Stick, SoftSoap and Irish Spring brands.

- Henkel AG & Co. KGaA ("**Henkel**"), which provides branded consumer packaged goods to the global marketplace. Henkel's personal care segment offers hair care, oral, deodorants and skin care products under the Schwarzkopf, Dial, Right Guard and Syoss brands. The company recently acquired The Sun Products Corporation, which provides laundry detergent, fabric softener and other household care products to the North American marketplace under the All, Surf, Sunlight and Snuggle brands.

- Johnson & Johnson Company ("**J&J**"), which provides branded consumer packaged goods to the global marketplace. J&J's personal care segment offers personal cleansing, and skin care products under the Aveeno, Clean & Clear, Johnson's Baby, Lubriderm, Neutrogena and Penaten brands.

- L'Oréal S.A. ("**L'Oréal**"), which provides branded cosmetics and personal care products to the global marketplace. L'Oréal's personal care segment offers hair care, personal cleansing and skin care products under the L'Oréal Paris, Lancôme, Kiehl's, The Body Shop and Garnier brands.

- The Procter & Gamble Company ("**P&G**"), which provides branded consumer packaged goods to the global marketplace. P&G's beauty and personal care segment offers hair care products, deodorants, personal cleansing, and skin care products under the Head & Shoulders, Olay, Pantene, Rejoice, Old Spice, Safeguard, and SK-II brands.

- Reckitt Benckiser Group plc ("**Reckitt**"), which provides branded consumer goods to the global marketplace. Reckitt's health and hygiene segment offers health and hygiene products under the Dettol, Veet, Clearasil and Scholl brands.

- Unilever N.V. ("**Unilever**"), which provides branded consumer packaged goods to the global marketplace. Unilever's beauty and personal care segment offers skin care and hair care products, deodorants, and oral care products under the Dove, Lux, Zendium, Dermalogica, Murad, Kate Somerville, and REN brands.

- Vi-Jon, Inc. ("**Vi-Jon**"), which is a health and beauty care company that manufactures both private label and brand name products. Vi-Jon supplies its private label manufactured products to retailers such as Kroger Co., Target Corp., Walgreens Boots Alliance, Inc. and Wal-Mart Stores, Inc., Vi-Jon's brand name products are sold under the Germ-X, Swan, Sonoma Spa, and Alpine X-treme brands.

<u>Competitive Advantages of Apollo</u>

Apollo is well positioned within the personal care marketplace, enjoying the following competitive advantages:

- ***R&D Capabilities*** – Apollo is widely regarded by its customers as having industry-leading research & development ("**R&D**") capabilities, having compiled a strong catalogue of independently tested private label products that directly compete with most major national brands or forge new and innovative formulations into successful products at market. Consultation and ongoing collaboration with suppliers and industry experts provide insights and access to new, advanced formulations and technologies. Apollo has garnered an excellent track record for fostering product innovation through its internal capabilities. It has successfully developed thousands of formulations within its product portfolio across multiple product categories and product types. Apollo operates within Good Manufacturing Practices guidelines and employs a team of dedicated quality assurance and quality control specialists.

- ***Low Cost Producer*** **–** The following factors contribute to Apollo's low cost competitive advantages:

    - ***Advanced Manufacturing Facility*** – Apollo's manufacturing competency is an integral component in consistently providing high quality products at competitive prices. Apollo's facility employs advanced technology and processes that allow Apollo to be energy efficient and cost effective.

    - ***Strategic Location*** **–** The strategic location of Apollo's facility creates logistical efficiencies. Key input and raw material suppliers are located in close proximity to Apollo's facility. A dedicated rail spur provides Apollo with increased freight flexibility on demand.

    - ***Privileged Supplier Relationships*** **–** Economies of scale allow Apollo to enjoy relationships with major suppliers which has resulted in cost savings.

- ***Nimble and Speed to Market*** **–** Apollo believes that its product development cycle, from R&D to delivery, can be completed significantly faster than its national brand competitors.

- ***Partnerships With Retailers*** – Instead of solely focusing on contract manufacturing, Apollo's vertically integrated private label programs include product formulation, label and packaging design, proactive category insights, and demand forecasting. Apollo partners with major retailers and collaborates with them to create tailored private label product offerings for consumers.

Customers

Apollo's client list is comprised of mass merchant, food, drug, and specialty retailers in North America. Apollo offers comprehensive private label programs through active collaboration with retailers. Some of the awards that Apollo has received from its customers include:

- Walmart Supplier Award of Excellence for Personal Care.
- Loblaws Exact-Contributing To Our Success Award.
- CVS Store Brands Supplier of The Year Award.

Management

Richard Wachsberg
Co-Chief Executive Officer

Richard served as the Chairman of Apollo Health and Beauty Care from its founding in 1993 to the closing of the Qualifying Acquisition and currently serves as Co-Chief Executive Officer. He has also been a Director at Toronto General & Western Hospital Foundation since 2008. Richard holds a BA degree in Economics and an MBA from York University.

Charles Wachsberg
Co-Chief Executive Officer

Charles served as the President and Chief Executive Officer of Apollo Health and Beauty Care from its founding in 1993 to the closing of the Qualifying Acquisition and currently serves as Co-Chief Executive Officer. He holds a degree in Microbiology and Business Administration, respectively, from the University of Toronto.

Employees

As at December 31, 2016, Apollo had 370 full-time employees. None of Apollo's employees are unionized.

The Business of JemPak

Overview

JemPak manufactures and distributes private label laundry and dish cleaning products for mass merchandise, super, drug, club and dollar stores. By heavily investing in R&D, JemPak has been able to establish relationships with some of North America's largest retailers. In mid-2011, under the direction and control of Martin Goldfarb, O.C. and Alon Ossip, JemPak's current management team executed a comprehensive turnaround resulting in growth, efficiencies and a foundation for success. Certain of the key turnaround efforts included: (i) adding state of the art manufacturing equipment and upgrading existing capabilities; (ii) eliminating non-core product categories; (iii) reducing customer relationships; and (iv) staff reorganizations. JemPak has entrenched relationships with large North American retailers and has garnered significant attention and actively acquired customers. JemPak's focus on R&D offers formulation, processing and manufacturing capabilities that it believes are difficult for competitors to match

JemPak's Concord, Ontario plant is one of the largest production facilities in North America of monodose pacs, featuring a high level of automation, which provides sufficient capacity to meet customer orders of any size. Furthermore, for the two prior fiscal years, JemPak has devoted approximately 10% to 15% of its operating profit to R&D, enabling it to produce high-quality, cost-effective formulations that are at least as good as, if not better than, the national brands.

Products

JemPak manufactures a focused portfolio of five product lines across two categories: (i) household cleaning products; and (ii) chemical products.

JemPak's Product Portfolio

Product Category	Products
Home Care Products...............................	Automatic Dish Detergent Pacs Liquid Laundry Detergent Liquid Fabric Softeners Liquid Laundry Detergent Pacs In-Wash Scent Boosters
Bulk and Specialty Chemicals...............	Surfactants

Home Care Products

Home care products are the largest selling item produced by JemPak, both in terms of units and dollars. Home care products include dishwashing products and laundry products. JemPak has developed a reputation for its high-quality private label home care products and is one of the leading North American suppliers in the dishwashing and laundry care categories. JemPak's products are available in varieties comparable to those of leading national brands. Home care products feature attractive consumer packaging labelled to customers' specifics and are of a quality that meets, or exceeds, that of leading brands.

Bulk and Specialty Chemicals

JemPak produces a wide variety of surfactants, including sulphonic acid, ether sulphates, sodium laurel sulphate and specialty blends. JemPak is also known for its formulation capabilities, which is particularly important in developing and selling specialty chemicals.

Sales and Marketing

As of December 31, 2016, JemPak's internal sales and marketing team consisted of four employees located in Canada and the United States, with one employee servicing chemical accounts and three servicing retail and national brand accounts.

JemPak employs a multi-tiered sales and centralized customer service organization trained to promote its production capabilities, generate rapid purchase order turnaround and provide customer service from the time of receiving the order through finished goods delivery. In addition to the internal sales team, JemPak selectively uses local broker networks, where required, to support its customer relationships, as well as retailer designated in-house brokers who have relationships with many of the larger retailers.

Manufacturing and Operations

JemPak operates two manufacturing facilities in Canada, which contain, in the aggregate, the capacity needed to address JemPak's customers' current and anticipated demands, even during peak periods. JemPak maintains warehouses for finished goods within each of its facilities and maintains third party warehouse space. For more than 15 years, JemPak has been operating its information technology infrastructure built on SAP technology, which helps to connect its facilities and offers a complete array of business applications, allowing the facilities to communicate effectively with each other and ultimately, with customers.

The principal stages in JemPak's order flow process are as follows:

- ***Customer Orders*** – Customers submit purchase orders to JemPak's customer service department.

- ***Production Planning Department*** **–** JemPak's production and planning department coordinates which facility produces the products to satisfy a particular order, reviews production schedules and oversees timely production of goods.

- ***Raw Materials Handling and Logistics*** **–** Raw materials comprising JemPak's products and packaging materials are delivered to a plant by rail, tanker trucks and regular trucks. Chemicals are stored onsite. JemPak uses its vertically integrated sulphonation plant to create a variety of surfactants for use in its products and to sell to other manufacturers and chemical distributors.

- ***Processing*** – JemPak blends chemicals according to a prescribed specification and process created and generated by JemPak's technical service personnel.

- ***Bottling, Labelling, Filling and Packaging*** **–** JemPak outsources the production of bottles, tubs, pouches and labels to a variety of manufacturers. The rest of the processes are managed internally, including filling, labelling, packaging and casing, with the cases marked for tracking purposes. Finished goods are conveyed to palletizers that stack cases according to customer specifications.

- ***Quality Control*** **–** JemPak monitors quality control of its products throughout the manufacturing process, beginning with the manufacturing planning stage. JemPak believes that its quality control efforts have resulted in raw material wastage at levels that are at or below industry averages.

- ***Delivery*** – JemPak's products are delivered by truck. Freight is handled either by a customer's fleet or by a common carrier with whom either JemPak or the customer makes shipping arrangements.

<u>Facilities</u>

JemPak's corporate headquarters is located in Concord, Ontario, which is just north of Toronto and all of JemPak's products are manufactured in facilities that are leased by JemPak. The following table lists, for each of JemPak's principal manufacturing facilities, its approximate square footage and a description of the operations conducted at such facility:

JemPak's Facilities

Location	**Approximate Square Footage**	**Operations**
Concord, Ontario	76,000	Headquarters, monodose dishwasher detergent
Oakville, Ontario[(1)]	110,000	Liquid laundry, liquid laundry pacs, scent boosters, sulphonation plant, R&D lab

Note:

(1) Prior to Closing, affiliates of JemPak's vendors acquired JemPak's operating facility in Oakville, Ontario and assumed the associated mortgage, before leasing such property to JemPak.

<u>Suppliers and Raw Materials</u>

JemPak's manufacturing operations require several key raw material inputs, the most significant of which are: (i) surfactants; (ii) enzymes; (iii) polyvinyl alcohol film (for monodose pacs); and (iv) various plastic bottles, tubs and pouches.

If JemPak's current suppliers cannot adequately service the company's demand for raw materials, the company has the ability to purchase raw materials from other suppliers located throughout North America and globally. In the past, an increase in the price of raw materials has generally resulted in a corresponding increase in the price that JemPak charges its customers for its products. See "Risk Factors – Risk Factors Relating to the Business of JemPak – The business depends on purchasing materials, efficient manufacturing and the timely distribution of products to customers".

Competition

JemPak is one of the leading manufacturers of private label dishwashing and laundry care products in North America. The industry is primarily comprised of tier one manufacturers, which are capable of complex formulations, backed by strong R&D, providing a broad spectrum of product offerings, along with other manufacturers that largely focus on simple formulations addressed at the lower end of the market.

Other dedicated dishwashing and laundry care private label manufacturers face a high cost of freight to deliver their products and face capacity constraints in servicing a small number of subscale customers in a limited geographic region. In addition, these manufacturers generally lack the resources necessary to invest in their facilities and R&D. As a result, the quality and packaging of such manufacturers' products are often significantly inferior to those of national brand manufacturers.

JemPak also competes against national brands. Cascade (The Procter & Gamble Company ("**P&G**") and Finish (Reckitt Benckiser Group plc) are the major national brands in the United States dishwashing market.[3] Finish, Cascade, and Sunlight (Henkel AG & Co. KGaA ("**Henkel**")) are the major national brands in the Canadian dishwashing market.[4] Tide (P&G), Gain (P&G), Downy (P&G), Arm & Hammer (Church & Dwight Co., Inc.), and All (Henkel) are the major national brands in the United States laundry care market.[5] Tide, Purex (Henkel), Downy, and Sunlight (Henkel) are the major national brands in Canada.[6]

Competitive Advantages

JemPak believes that the company possesses certain characteristics that provide it with competitive advantages within the dishwashing and laundry products industry, including the following:

- ***Manufacture Products Equivalent or Superior to National Brands*** – JemPak believes that each of JemPak's products meets or exceeds the comparable leading North American national brands in terms of performance, quality and packaging. JemPak believes that the company's robust R&D capabilities have resulted in product offerings that exceed that of other private label manufacturers and that the resulting high product quality enables retailers to achieve greater penetration for their brands.

- ***Customer Centric Model*** – JemPak is one of the largest dedicated private label manufacturers of dishwashing and laundry care products in North America. This unique position allows JemPak to build collaborative and long-term partnerships with retailers on their product lines. JemPak intends to continue to assist its customers in growing their store brand businesses by providing a high level of customer service, innovation and expertise in the private label dishwashing and laundry care markets. JemPak utilizes a program-based offering whereby it offers its customers a deep service offering and integrates into retailers' private label management, rather than solely offering manufacturing capacity. JemPak believes that this approach will continue to lead to low customer turnover.

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3 Dishwashing in the US, Euromonitor International, March 2016.

4 Dishwashing in the US, Euromonitor International, March 2016.

5 Laundry Care in the US, Euromonitor International, March 2016.

6 Laundry Care in Canada, Euromonitor International, February 2016.

- ***Low Cost Operation*** – JemPak's high sales volumes have given the company a cost advantage in production and procurement. Furthermore, JemPak utilizes vertically integrated production (at its Oakville surfactant plant, for example) and significant automation to increase production efficiencies.

- ***Industry Leading Service Levels*** – JemPak has a reputation with its customers for excellence in on-time and complete service levels. This is a result of JemPak's business model that allows the company to consistently manage regular order patterns, while allowing flexibility to handle emergency order situations, as well.

<u>Customers</u>

JemPak has a diverse customer base, many of whom emphasize store brand private label products as part of their marketing strategy. JemPak has been successful in expanding its customer base due to its ability to deliver quality products and service. JemPak classifies its principal customers as being either retail, chemical or national brand.

The retail category, comprised primarily of chain grocery stores, chain drug stores, mass merchandisers and discount dollar stores, is JemPak's largest customer category. Retailers stock dishwashing and laundry care products for the everyday consumer. Many retailers offer consumers "store brand" products equivalent in performance and packaging to the leading brand but usually priced approximately 25-30% less than such brands.

The chemical category represents an additional segment for JemPak. These customers include a diverse base of manufacturers and chemical distributors. JemPak primarily supplies sulphonic acid, ether sulphates, sodium laurel sulphates and specialty blends to its chemical customers.

<u>Management</u>

Stephen Miller

Stephen Miller is President of JemPak. Stephen joined Gustin-Kramer Inc. in 2002 as President and was a founding partner of JemPak GK Inc. in 2005. Previously, Stephen held leadership roles at Envoy Communications Group Inc., Dunlop Maxfli Sports Corp., Johnson & Johnson Inc. and The Procter & Gamble Company. He currently acts as an advisor to North 60 Technologies Inc., and has previously served on several boards of directors including Associated Brands and Crescent School. Stephen holds an Honours Business Administration (HBA) degree from the Ivey School of Business at Western University, is a graduate of the Quantum Shift entrepreneurs program, and is a member of the Young Presidents Organization (YPO).

Emil Tarnowsky

Emil Tarnowsky is Chief Operating Officer of JemPak. Previously, Emil has held leadership positions with Sherritt International Corporation, Michelin North American (Canada) Inc. (BFGoodrich), British Plasterboard (Westroc Canada Inc.), Signode Canada (Strapex) and Tegrant Corporation. Emil holds a Bachelor in Science from Lakehead University and studied for a BBA at Cleveland State University as well as select Purchasing Management Association of Canada (PMAC) designations from the University of Alberta. In addition, he has completed courses in statistical process control (University of Waterloo IIQP) and led the implementation of the Crosby Quality System within BFGoodrich plants.

Martin Goldfarb and Alon Ossip are currently retained by Acasta to assist in the oversight of the JemPak business. Martin Goldfarb serves as Executive Chairman of JemPak.

<u>Employees</u>

As at December 31, 2016, JemPak had approximately 130 salaried and hourly employees. None of JemPak's employees belong to trade unions.

The Business of Stellwagen

Overview

Stellwagen is a fully-integrated financial services provider of asset management, technical management, and fleet and capital financing solutions to the global aviation industry and aviation investors. Stellwagen was formed in 2013 in the wake of the financial crisis to fill the void left by the retreating banks in the aviation finance market. Since its founding, Stellwagen's revenue and net income have grown from year-to-year. Over this time, Stellwagen has grown its business to over 30 employees, and developed a diversified business model, including advisory, aircraft management, investment management, and a pre-revenue technology platform.

The attractiveness of Stellwagen's business model is underpinned by strong global trends in the aviation industry. The core business benefits from: (i) strong growth in travel volume and an increasing propensity to fly driven by a growing global middle class, driving the demand for new aircraft; (ii) post-financial crisis, the reduction of capital available from traditional aircraft lenders including, commercial banks and export credit agencies ("**ECAs**"); and (iii) increased investor appetite for long duration and higher yielding assets with attractive risk profiles.

Stellwagen's specialized and deep aviation industry knowledge, relationships with airlines, lessors, and other key aviation industry participants, together with the long-term experience and talent of the senior management team and other key employees, has enabled Stellwagen to deliver strong operational and financial results since its inception.

The core business model remains focused on arranging innovative and comprehensive financing solutions for airlines, lessors and aircraft manufacturers across a broad range of aircraft types. Operating in multiple verticals not only provides revenue stability during multiple market cycles, but also facilitates the cross pollination and expansion of airline, lessor, and investor relationships.

Corporate Structure

Stellwagen operates under four business verticals through its wholly owned subsidiaries, each with its own leadership team. At the group level, the management team is led by Doug Brennan (Chief Executive Officer), supported by Nigel Goldsworthy (Group General Counsel) and Howard Millar (Chief Operating Officer).

Stellwagen Finance ("StellFin")	**Stellwagen Capital ("StellCap")**	**Seraph Aviation ("Seraph")**	**Stellwagen Technology ("StellTec")**
Financing solutions for aviation industry	Investment management for aviation industry	Aircraft management services	Technology platform for aircraft analytics
Marc Bougarde CEO	Howard Millar CEO	Eugene O'Reilly CEO	Dan Evison CEO

StellFin

StellFin arranges financing solutions for airlines, lessors and aircraft manufacturers through innovative structures that meet the needs of clients around the world. It is one of only a handful of firms able to offer the whole range of products available to the global transportation industry: from pre-delivery payments, export credit, multi-tranche debt, finance leases, operating leases to capital market solutions, both for used and new aircraft. StellFin utilizes multiple sources of funding including, StellCap investment vehicles, bank partners, private and institutional investors to whom StellFin offers tailored investment opportunities.

The team is highly experienced in both aviation and finance and utilizes the support of the entire Stellwagen group including, Seraph for commercial and technical input, StellCap for the placement of both debt and equity to support financings, and StellTec for the optimization of interaction between aircraft assets, investors, and users of capital.

StellCap

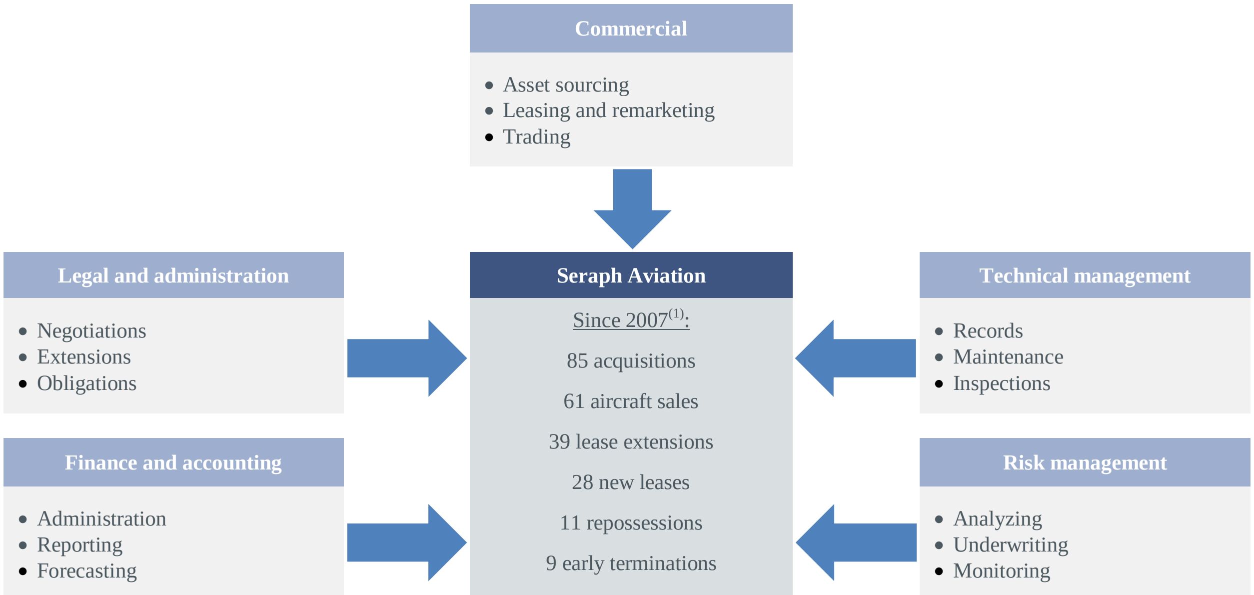
StellCap is an investment management group of Stellwagen. Led by Howard Millar, former Chief Financial Officer and Deputy Chief Executive Officer of Ryanair Limited, Europe's largest airline, the division's management team has close to 100 years of combined aviation and investment experience. With the support of the entire Stellwagen group, StellCap is able to leverage significant aircraft and aircraft engine technical knowledge, extensive understanding of airline fleet planning, and broad knowledge of the global aviation investment market. The platform intends to create investment vehicles from a range of investors including private equity, pension funds, and insurance companies to provide senior secured loans to airlines and leasing companies via a senior loan investment vehicle. Income will be generated from contractual management fees, co-investment, and performance incentives. StellCap will focus on narrowbody aircraft and other opportunistic aircraft acquisition and trading strategies to boost investment returns. In making its investment decisions, StellCap intends to use technology to analyze and visualize appraisal and valuation data in parallel with financing parameters. Additionally, having permanent and semi-permanent capital will allow StellCap to opportunistically underwrite attractive transactions that meet its investment criteria, enabling additional fee generation and improving overall competitiveness of Stellwagen as an integrated financing arranger and provider.

StellCap Investment Vehicle Overview	
Senior loan investment vehicle	• Target size of US$1 billion to provide senior loans to airlines and lessors secured on aircraft • Asset focused lending against preferred asset types such as narrowbody aircraft (Boeing and Airbus narrowbodies) • Opportunistically add leverage to the portfolio to boost portfolio returns

Seraph

Based in Dublin, Ireland, Seraph is a global provider of aircraft management, including: (i) commercial; (ii) legal and administration; (iii) finance and accounting; (iv) technical management; and (v) risk management. Seraph currently manages over 40 aircraft valued at over US$2.0 billion, with a track record of servicing over 200 aircraft since 2007. Seraph is led by an extremely tenured management team, with an average of 20 years of industry experience and who have worked together since 2011. Seraph is an integral part of Stellwagen's strategic direction and provides significant synergies and new transaction opportunities through its expanded customer base. Seraph generates monthly management fees for each of the aircraft that it manages, which are dependent on the value of the aircraft and the range of services provided.

Seraph's comprehensive aircraft management services offering is rivaled by few platforms in the industry, and includes:



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Notes:

(1) Seraph originally commenced business in 2007 as Volito Goldman Sachs, a joint venture between Volito A.B. (a diversified holding company) and Goldman Sachs. In October 2015, Stellwagen Group acquired Volito Goldman Sachs and rebranded the business as Seraph. Seraph's current management team has been leading the company since 2011.

StellTec

StellTec is currently a pre-revenue business that is developing software for the aviation finance industry. This software will be used to structure and value aviation finance transactions, and to calculate, manage and visualize information by aircraft investors, operators and owners. StellTec is led by Dan Evison, a senior professional with over 20 years' experience in creating technology solutions in the financial services industry, including 14 years at Morgan Stanley. Founded on the premise that current offerings in the marketplace are antiquated and inefficient, the team is looking to create an integrated and multi-faceted web-based and mobile software platform. The applications will incorporate advanced interactive data visualizations, sophisticated data analysis (including machine learning), detailed domain modeling (the world of aircraft and associated financial structures), complex financial mathematical models and state-of-the art web-based technologies. It will be sold on a subscription basis and used extensively at each of the Stellwagen companies to scale operations, interact with clients (both investors and users of capital) and to keep the Group efficient and transparent.

Management Profile

Douglas Brennan

Douglas Brennan is the founder and Group Chief Executive Officer of Stellwagen. Previously he was Chief Investment Officer of Ledyard Capital Management LLC, a US-based shipping investor. Doug founded and served as Chief Executive Officer of Illington Fund Management LLC, a US$1.8 billion investment management company, sold to a German banking concern in 2006 where he served as Vice-Chairman until 2008. He held investment management positions at Richland Capital Management Limited and HWB Capital Management S.A. (Luxembourg). He began his financial services career developing quantitative investment strategies at Lloyd Stevens & Co. following a behavioral science and research career at Columbia University and InterSytems Corporation. Doug is a board member of Westchester Medical Center Foundation. Doug received two Masters degrees from Columbia University and a BA from Columbia College.

Howard Millar

Howard Millar is Group Chief Operating Officer and Chief Executive Officer of StellCap. Howard Millar has 29 years of proven entrepreneurial and financial skills with significant public markets experience in driving Ryanair Limited to become the largest and most profitable airline in Europe, with 106 million passengers during 2015 and a market capitalization of over US$19 billion. He served as Chief Financial Officer and Deputy Chief Executive Officer of Ryanair Limited for 11 years and for 12 years as Finance Director, until December 31, 2014. During his career with Ryanair Limited, Howard: (i) negotiated the acquisition of 730 aircraft with a list value of US$57 billion; (ii) originated and led Ryanair Limited's first €850 million, seven year, unsecured bond issuance at a fixed coupon of 1.875%; (iii) successfully executed the company's initial public offering and US$700 million equity funding programs; and (iv) completed the disposal of 30 used aircraft with a value of US$800 million in a multi-purchaser program.

Howard is currently a non-executive director of Ryanair Limited, Irelandia Aviation (Ryan family investment company with investments in Viva Aerobus (Mexico) and Viva Colombia), ASL Aviation Group and Applegreen plc. He also serves as Chairman of BDO International Limited, a leading global professional services firm. Howard is a Fellow of the Chartered Certified Accountants and holds a B.Sc. Mgmt. (Hons) from Trinity College Dublin.

Nigel Goldsworthy

Nigel Goldsworthy is Group General Counsel of Stellwagen. During his 11 years at Rolls-Royce plc, Nigel served in a number of senior roles, most recently as Head of Legal and Company Secretary. During his tenure at Rolls-Royce plc, Nigel was engaged in extensive domestic, cross-border and international commercial financing and leasing. He also managed and led the Rolls-Royce plc legal team on all mergers & acquisitions and corporate activity. Before joining Rolls-Royce plc, Nigel spent over 10 years in private practice with the international law firms Freshfields (now Freshfields Bruckhaus Deringer) and Lovells (now Hogan Lovells) where he was a partner in the international finance group, specializing in asset finance and leasing.

Edward Hansom

Edward Hansom is Chief Risk Officer of Stellwagen. Prior to joining Stellwagen in 2014, he worked as an independent aircraft finance consultant, specializing in business strategy, capital markets and risk management. From 1988 to 2002, he worked for GPA Group (subsequently AerFi) and from 1997-onward, he served as Chief Financial Officer. His achievements at GPA Group included leadership roles in the development of the Japanese operating lease market and the aircraft asset-backed securities market. He also played a key role in the restructuring of GPA Group, including the acquisition of Indigo Aviation Limited and ultimate sale of the business to debis airFinance. Prior to 1988, Edward worked in London and Paris for Bank of Nova Scotia and Schroders plc. Edward received Masters degrees from Magdalen College, Oxford (Modern Languages) and the Manchester Business School.

Eugene O'Reilly

Eugene O'Reilly is Chief Executive Officer of Seraph. After joining Seraph in 2011, he revamped the fleet strategy to extract maximum value from each individual aircraft. Before Seraph, he served as Head of Marketing with Aergo Capital Limited, beginning in early 2010. Between 2000 and 2010, he worked in the aircraft leasing industry as deputy managing director of Icelease, the aircraft leasing arm of the Icelandair Group and as a senior manager with Sojitz Aircraft Corporation. Prior to that, he worked for 10 years as Assistant General Manager with Pegasus Airlines Inc. in Turkey, with effective control over its airline operations and fleet planning and financial divisions. The airline grew from a three aircraft operation to a 16 aircraft operation during his tenure. Eugene is an Irish chartered accountant trained at Pricewaterhouse Coopers LLP in Dublin and has a business degree from University College, Galway.

Marc Bourgade

Marc Bourgade is Chief Executive Officer of StellFin. He joined Stellwagen in March 2016 from Natixis, where he held the position of Head of Aviation, Exports and Infrastructure Sectors & Clients since 2012. Prior to that, he served as Chief Financial Officer of Natixis Transport Finance Bank and acted as Managing Director (Aircraft Finance). During his 14 years in aviation at Natixis, Marc completed over US$15 billion of transactions and has won over 20 international awards in recognition for his involvement in innovative structures. He began his banking career in 1997, as bank auditor. Marc holds a M. Sc. from the University of Birmingham and is a graduate from the Institut d'Études Politiques de Paris (French Grande École). He initially graduated as a Civil Engineer from the ESTP (French Grande École) in 1993. He is fluent in French, Spanish and English.

Dan Evison

Dan Evison is Chief Executive Officer of StellTec. Dan joined Stellwagen in June 2016 with over 20 years' experience in creating technology solutions in the financial services industry. Dan previously worked for 14 years at Morgan Stanley, in New York, London and Dublin. As an Executive Director at Morgan Stanley & Co LLC, he held leadership roles in financial engineering groups within multiple departments across the firm. Dan also played a key role at Ares Fund LLC, a start-up hedge fund in New York, building a fully automated, equity options trading platform. Dan started his career with First Boston Corporation, in New York, where he spent three years in the Mortgage Financial Engineering Group. Dan received a B.Sc. in Computer Science from Victoria University of Wellington in New Zealand.

<u>Offices</u>

Stellwagen has offices in New York and Dublin, Ireland. The New York office represents part of Stellwagen's distribution arm, facilitating the distribution of equity and debt instruments in the U.S. market. The financing and arrangement, servicing and investment management operations are conducted in the Dublin office. Stellwagen has additional representatives in Singapore, Dubai and London, to maintain a presence in the fastest growing regions for air travel and ultimately transaction volume.

<u>Competition</u>

Stellwagen operates in a highly competitive market for aircraft financing and servicing and a moderately competitive market for investment management of aircraft and other aviation assets. Stellwagen as a group has no competitor that has combined the four operating platforms of financing, aircraft servicing/leasing, capital management and advanced financial technology. Each company, however, competes with a range of entities, including:

- Financial institutions;
- Leasing companies;
- Aviation advisors;
- Public and private partnerships, investors and funds, including private equity and hedge funds;
- Aircraft brokers; and
- Aircraft servicing companies.

A more challenging environment for airlines to finance aircraft, resulting from a decline in capital provided by traditional commercial banks and ECAs, has led to a new niche market of third-party capital providers to be established. These capital providers are utilizing capital markets and providing airlines with unique sources of capital with flexible financing structures.

Post-global financial crisis of 2008-2009, commercial banks that traditionally played a major role in the aircraft financing market have pulled back as a result of regulation and capital constraints from Basel II and Basel III. Additionally, ECA-backed funding which expanded to maintain low-cost aircraft financing during the global financial crisis, declined substantially post implementation of the Aircraft Sector Understanding 2011, which effectively aligned ECA funding costs with more expensive bank funding. More recently, both of US and European agencies have for different reasons substantially reduced the amount of funding they provide. This is due to financial scandals in the case of the European ECAs, and due to congressional intervention in the case of the Export-Import Bank of the United.

The majority of Stellwagen's revenue is expected to be generated initially by three main verticals, StellFin, StellCap, and Seraph. Given the uniqueness of Stellwagen's business model, there is no direct competitor, but there are competitive dynamics in each of the verticals.

<u>StellFin</u>

StellFin arranges financing solutions for airlines, lessors, and aviation investors. As such, it competes with a multitude of firms and capital providers including financial institutions, aviation advisors, ECAs, and aircraft brokers.

Given the absolute size of the market, with original equipment manufacturer delivery financings alone requiring US$127 billion to US$172 billion annually from 2017 to 2020,[7] respectively, in addition to pre-delivery payments for new orders and secondary market transactions, Stellwagen's management believes that this represents a significant opportunity for Stellwagen to gain market share, especially in the wake of declining ECA and financial institution funding.

<u>Seraph</u>

Many airlines, lessors and aircraft owners conduct some or all of Seraphs' services internally. However, an increasing number of aviation investors are looking for simplicity of ownership and cost savings, such that there is an increasing trend to outsource. Seraph is one of the few independent and comprehensive aircraft management companies of scale.

Seraph represents one of the few aircraft management providers that does not possesses a potential competitor, allowing for an opportunity for further penetration of both airlines and lessors where peers cannot.

<u>StellCap</u>

StellCap competes with a variety of capital sources within aviation investment management. There are numerous public and private operating lessors, private equity investors, insurance companies, bond funds, banks, and aircraft specific investment fund managers. Depressed yields in other asset classes are attracting investors to aviation related investments for their higher earnings potential. The trend has been buoyed by the decoupling of aircraft operations (airlines) from aircraft ownership (investors), as most airlines channel cash flows to improve operating efficiencies.

<u>StellTec</u>

StellTec will compete with other companies creating software for financial services company. However StellTec's relationship with other Stellwagen companies (StellFin, StellCap and Seraph) gives it standing within a group of successful aviation finance operating companies. This access to deep aviation finance knowledge and ongoing complex transactions provides StellTec a unique opportunity to deliver specialized software which is highly valuable to the industry. As far as we know, StellTec is the only financial technology company with this critical competitive advantage and as such has no direct competitors.

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7 Boeing Current Aircraft Finance Outlook 2016, pg. 3.

Employees

As at December 31, 2016, Stellwagen had 30 salaried employees.

ACASTA DIVIDEND POLICY

Acasta has not paid any cash dividends on its shares to date. Holders of Class B Shares would be entitled to dividends on an equal per share basis, if, as and when declared by the Board. The Board has adopted a dividend policy pursuant to which Acasta intends to pay a quarterly dividend of $0.01 per Class B Share. The Board intends to periodically review the dividend policy in the context of the Corporation's earnings, financial condition and other factors that the Board may deem relevant. The Corporation's dividend policy will be at the discretion of the Board at that time. See "Forward-Looking Statements" and "Risk Factors" in this AIF .

DESCRIPTION OF CAPITAL STRUCTURE OF ACASTA

General

The Corporation is authorized to issue an unlimited number of Class A Shares and an unlimited number of Class B Shares, each without nominal or par value. The Class A Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws.

Upon the Closing, each Class A Share was, unless previously redeemed, automatically converted into one Class B Share. As at the date hereof, no Class A Shares remain outstanding and the Corporation has no intention of issuing additional Class A Shares. As such, the following description does not include a summary of the material terms of the Class A Shares, and summarizes the material terms of the Class B Shares only. For a complete description of our share capital, please refer to our certificate and articles of amendment, by-laws and the warrant agency agreement dated July 30, 2015 (the "**Warrant Agreement**") between the Corporation and TSX Trust Company (the "**Warrant Agent**"), which have been filed on SEDAR at www.sedar.com.

Class B Shares

The holders of Class B Shares are entitled to receive notice of and to attend any meeting of shareholders of the Corporation and to one vote per Class B Shares at any such meetings, to receive dividends if, as and when declared by the Board, and to receive on a *pro rata* basis the remaining property and assets of the Corporation upon its dissolution or winding-up.

Warrants

Each whole Warrant entitles the registered holder to purchase one Class B Share. The Warrants will expire at 5:00 p.m. (Toronto time) on January 31, 2022 or may expire earlier upon our winding-up or if the expiry date is accelerated.

The expiry date of the outstanding Warrants may be accelerated by providing 30 days' notice, if and only if, the closing price of the Class B Shares equals or exceeds $24.00 per Class B Share (as adjusted for stock splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period.

The right to exercise will be forfeited unless the Warrants are exercised prior to the date specified in the notice of acceleration of the expiry date. On and after the acceleration of the expiry date, a record holder of a Warrant will have no further rights.

The exercise price and number of shares issuable on exercise of the Warrants may be adjusted in certain circumstances, including in the event of a stock dividend, extraordinary dividend, or our recapitalization, reorganization, merger or consolidation. The Warrants will not, however, be adjusted for issuances of shares at a price below their exercise price.

Warrants may be exercised only for a whole number of shares. No fractional shares will be issued upon exercise of the Warrants. If, upon exercise of the Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of shares to be issued to the Warrant holder.

The Warrant holders do not have the rights or privileges of holders of shares and any voting rights until they exercise their Warrants and receive corresponding shares. After the issuance of corresponding shares upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders. On the exercise of any Warrant, the Warrant exercise price will be $11.50, subject to adjustments as described herein.

The Warrant Agent shall, on receipt of a written request of the Corporation or holders of not less than 25% of the aggregate number of Warrants then outstanding, convene a meeting of holders of Warrants upon at least 21 calendar days' written notice to holders of Warrants. Every such meeting shall be held in Toronto, Ontario or at such other place as may be approved or determined by the Warrant Agent. A quorum at meetings of holders or Warrants shall be two persons present in person or represented by proxy holding or representing more than 20% of the aggregate number of Warrants then outstanding.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Agreement for certain purposes including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Agreement that adversely affects the interests of the holders of Warrants may only be made by an "extraordinary resolution", which is defined in the Warrant Agreement as a resolution either (i) passed at a meeting of the holders of Warrants by the affirmative vote of holders of Warrants representing not less than two-thirds of the aggregate number of the then outstanding Warrants represented at the meeting and voted on such resolution, or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than two-thirds of the aggregate number of the then outstanding Warrants.

MARKET FOR SECURITIES

Trading Price and Volume

Prior to Closing, the Class A Restricted Voting Shares were listed on the TSX under the symbol "AEF.A". Upon Closing, each Class A Restricted Voting Share was, unless previously redeemed, automatically converted into one Class B Share. The Class B Shares commenced trading on the Toronto Stock Exchange under the symbol "AEF" on January 6, 2017, concurrent with the delisting of the Class A Restricted Voting Shares. The Warrants are listed for trading on the TSX under the symbol "AEF.WT".

The following is a monthly summary of trading in the Class A Restricted Voting Shares on the TSX in 2016:

Month	High ($ per share)	Low ($ per share)	Avg. Daily Vol. by Month (in shares)	Total Vol. by Month (in shares)
January	9.69	9.51	25,738	463,281
February	9.70	9.50	23,200	348,004
March	9.75	9.60	4,811	76,977
April	9.80	9.65	80,227	962,721
May	9.80	9.65	27,119	352,541
June	9.80	9.68	79,430	1,270,876
July	9.76	9.67	7,949	119,237
August	9.85	9.70	7,016	112,263

Month	High ($ per share)	Low ($ per share)	Avg. Daily Vol. by Month (in shares)	Total Vol. by Month (in shares)
September	9.85	9.73	23,206	185,647
October	9.88	9.78	110,266	1,102,659
November	11.80	9.78	48,537	922,200
December	10.20	9.95	17,840	356,793

The following is a monthly summary of trading in the Warrants on the TSX in 2016:

Month	High ($ per share)	Low ($ per share)	Avg. Daily Vol. by Month (in shares)	Total Vol. by Month (in shares)
January	0.315	0.20	32,167	386,000
February	0.295	0.20	28,277	367,601
March	0.355	0.26	4,635	46,350
April	0.30	0.245	9,688	77,500
May	0.35	0.255	13,306	119,750
June	0.33	0.255	20,028	100,139
July	0.245	0.23	1,438	5,750
August	0.30	0.24	4,068	28,476
September	0.30	0.235	27,372	246,350
October	0.26	0.25	5,256	2,1025
November	0.85	0.25	23,371	397,300
December	1.45	0.52	113,862	2,163,376

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Except as set out below, to the knowledge of Acasta, as at March 30, 2017, no securities of any class of securities of Acasta were held in escrow or subject to contractual restrictions on transfer.

Designation of Class and Description of Holders	Number of securities that are subject to a contractual restriction on transfer	Percentage of class
Founders' Class B Shares	13,758,618(1)(2)	14.85%
Warrants	488,273(2)	2.33%
Apollo Share Consideration	23,388,396(3)	25.24%
JemPak Share Consideration	6,750,000(4)	7.28%
Stellwagen Share Consideration	22,828,418(5)	24.63%

Notes:

(1) See below for a description of the applicable transfer restrictions on the Founders' Shares and the date on which such transfer restrictions end.

(2) Pursuant to the terms of a settlement agent agreement dated January 3, 2017 among the Corporation, Apollo Health and Beauty Care Inc. and 2549567 Ontario Inc., the Corporation agreed to cause its officers and directors to agree not to sell, or agree to sell (or announce any intention to do so), any shares or securities exchangeable or convertible into shares of the Corporation for a period of 90 days from Closing without the prior written consent of BMO Nesbitt Burns Inc., TD Securities Inc. and Canaccord Genuity Corp., which consent shall not be unreasonably withheld.

(3) Subject to certain exceptions, the Class B Shares that comprise the Apollo Share Consideration (as hereinafter defined) are subject to lock-up as follows pursuant to the terms of a lock-up agreement with TSX Trust Company, as escrow agent: (i) 35% until the earlier of (A) six months from Closing; and (B) the first date on which the Class B Shares trade above $12.00 per Class B Share on the TSX for 20 trading days in any 30-trading day period; and (ii) 65% until the earlier of (A) five years from Closing; and (B) the date on which the Class B Shares trade above $12.00 per share on the TSX for 20 trading days in any 30-trading day period. The lock-up restrictions on the Apollo Share Consideration will terminate upon the occurrence of certain events, including: (i) Charles Wachsberg or Richard Wachsberg being terminated as Co-Chief Executive Officer of Apollo other than for cause, their resignation or good reason (each as defined in their respective employment agreements); or (ii) Anthony Melman ceasing to be the Chief Executive Officer and director of Acasta or holding, directly or indirectly, less than 50% of the Class B Shares held at the time of entering into the Apollo Purchase Agreement (as hereinafter defined). Five million of the Class B Shares forming part of the Apollo Share Consideration (representing 5.40% of the Class B Shares issued and outstanding) are being held in escrow following Closing to satisfy claims against the Apollo Vendors (as hereinafter defined) (the "**Apollo Holdback Shares**"), which Apollo Holdback Shares will be released (but remain subject to lock-up provisions) in three equal installments on each of six months, 12 months and 18 months following Closing, subject to any pending claims. See "Material Contracts – The Apollo Purchase Agreement".

(4) The JemPak Share Consideration (as hereinafter defined) is subject to transfer restrictions, as follows, pursuant to the terms of lock-up agreements with each JemPak Vendor and TSX Trust Company, as escrow agent: (i) 35% until the earlier of (A) six months from Closing, and (B) the first date on which the Class B Shares trade above $12.00 per share on the TSX for 20 trading days in any 30-trading day period; and (ii) 65% until the earlier of (a) five years from Closing and (b) the first date on which the Class B Shares trade above $12.00 per share on the TSX for 20 trading days in any 30-trading day period. The lock-up restrictions on the JemPak Share Consideration will terminate if the lock-up provisions on the Apollo Share Consideration terminate. 2.5 million Class B Shares of the JemPak Share Consideration (the "**JemPak Holdback Shares**") (representing 2.70% of the Class B Shares issued and outstanding) are being held in escrow to satisfy the indemnification obligations of the JemPak Vendors related to representations, warranties and covenants. The JemPak Holdback Shares are to be released, subject to any pending claims, 18 months following Closing and in accordance with the escrow agreement. See "Material Contracts – The JemPak Purchase Agreement".

(5) The Stellwagen Share Consideration is subject to transfer restrictions, as follows, pursuant to the terms of a lock-up agreement with TSX Trust Company, as escrow agent: (i) 25% until the earlier of (A) six months from Closing, and (B) the first date on which the Class B Shares trade above $12.00 per share on the TSX for 20 trading days in any 30-trading day period; and (ii) 75% until the earlier of (A) five years from Closing and (B) the date on which the Class B Shares trade above $13.00 per share on the TSX for 20 trading days in any 30-trading day period. The lock-up restrictions on the Stellwagen Share Consideration (other than with respect to the Class B Shares subject to the Stellwagen Holdback Covenant (as hereinafter defined)) will terminate at any time following the date that is 18 months following Closing if either: (i) the employment of Douglas Brennan as Chief Executive Officer of Stellwagen is terminated other than for cause or good reason; or (ii) there is a breakdown in the commercial relationship between Acasta and the Stellwagen business. SFCL has covenanted to hold at least 5.0 million Class B Shares of the Stellwagen Share Consideration (as hereinafter defined) (representing 5.40% of the Class B Shares issued and outstanding) for a period of three years following Closing and 1.5 million Class B Shares for a further two years to secure its indemnification obligations under the Stellwagen Purchase Agreement (as hereinafter defined). See "Material Contracts – Stellwagen Purchase Agreement".

Prior to the IPO Closing, the Founders entered into the forfeiture and transfer restrictions agreement and undertaking in favour of Acasta, the joint book-runners of the IPO and the TSX (the "**Forfeiture Agreement**") pursuant to which each Founder agreed to certain forfeiture conditions and transfer restrictions in respect of their Founders' Shares and their Class B Units, and their Class B Shares and Warrants underlying the Class B Units. On closing of the Qualifying Acquisition, the Forfeiture Agreement was amended to reflect the terms described below.

Pursuant to the Forfeiture Agreement, 50% of the Founders' Shares held by each Founder (the "**Contingent Shares**") are restricted on the following terms: (i) until January 3, 2018, the Contingent Shares may not be transferred; and (ii) for the period from January 3, 2018 to January 3, 2021, the Contingent Shares will only become transferable if (a) the closing share price of the Class B Shares exceeds $15.00 (as adjusted for stock splits or combinations, stock dividends or distributions (including any dividend or distribution of securities of any investment or investee entity of the Corporation or any reorganization transaction implemented by the Corporation for the purpose of distributing ownership of any investee entity or business to shareholders of the Corporation), extraordinary dividends, reorganizations, above market issuer bids and recapitalizations) for any 20 trading days within a 30-trading day period and (b) a realization event (a "**Realization Event**"), as explained further below, has occurred; or (iii) after January 3, 2021, the Contingent Shares will only become transferable if (a) the closing share price of the Class B Shares exceeds $18.00 (as adjusted for stock splits or combinations, stock dividends or distributions (including any dividend or distribution of securities of any investment or investee entity of the Corporation or any reorganization transaction implemented by the Corporation for the purpose of distributing ownership of any investee entity or business to shareholders of the Corporation), extraordinary dividends, reorganizations, above market issuer bids and recapitalizations) for any 20 trading days within a 30-trading day period beginning after January 3, 2021; and (b) a Realization Event has occurred. In respect of half of the Contingent Shares, a Realization Event shall occur if the Corporation raises a private equity fund of at least $1 billion prior to January 3, 2019. In respect of the other half of the Contingent Shares, a Realization Event shall occur if the Corporation achieves a value Realization Event for its investment in its Consumer Products Platform which may take the form of a sale to the Corporation's planned private equity fund, a strategic merger with other similar businesses, or a separate public listing of the current platform or resultant combined entity. The Contingent Shares will be forfeited on the following basis: (i) if neither of the Realization Events is achieved, all of the Contingent Shares will be forfeited; (ii) if only one of the Realization Events is achieved, half of the Contingent Shares will be forfeited; and (iii) if both of the Realization Events are achieved, none of the Contingent Shares will be forfeited.

The remaining Founders' Shares that are not Contingent Shares continue to be restricted from transfer until the earlier of: (i) January 3, 2018; and (ii) the closing share price of the Class B Shares equalling or exceeding $12.00 per Class B Share (as adjusted for stock splits or combinations, stock dividends or distributions (including any dividend or distribution of securities of any investment or investee entity of the Corporation or any reorganization transaction implemented by the Corporation for the purpose of distributing ownership of any investee entity or business to shareholders of the Corporation), extraordinary dividends, reorganizations, above market issuer bids and recapitalizations) for any 20 trading days within a 30-trading day period at any time following Closing, subject to applicable securities laws, TSX rules and applicable escrow requirements.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS

The Corporation is authorized to issue an unlimited number of Class A Restricted Voting Shares and an unlimited number of Class B Shares, each without nominal or par value. The Class A Restricted Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws. As of December 31, 2016, there were 40,250,000 Class A Restricted Voting Shares and 11,960,156 Class B Shares issued and outstanding.

Upon Closing, each Class A Restricted Voting Share was, unless previously redeemed, automatically converted into one Class B Share. As at the date hereof, no Class A Restricted Voting Shares remain outstanding and the Corporation has no intention of issuing additional Class A Restricted Voting Shares, and 92,677,798 Class B Shares are issued and outstanding. See "Description of Capital Structure" for a description of the voting rights for each such class.

The following table discloses the names of the persons or companies who, to the knowledge of the Corporation, as of the date hereof, beneficially owned, or controlled or directed, directly or indirectly, more than 10% of any class or series of the voting securities of the Corporation:

Name	Number of Class B Shares Owned	Percentage of Class B Shares Owned
Stellwagen Finance Company Limited	21,280,160	23.0%
Apollo Beauty Corp.	11,694,198	12.6%
Apollo Health Corp.	11,694,198	12.6%

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holding

The Board is currently comprised of four directors. The directors are elected by shareholders at each annual meeting of Acasta's shareholders and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed and will be eligible for re-election or re-appointment.

The following are the names and municipalities of residence of our directors and executive officers, their positions and offices with the Corporation and corresponding start dates, and their principal occupations during the last five years:

Name and municipality of residence	Office held with the Corporation	Director and/or Executive Officer Since	Present position(s) held with the Corporation and principal occupation(s)
Anthony Melman Toronto, Canada	Chief Executive Officer and Director (Chair)	June 19, 2015	Chief Executive Officer and Director (Chair) of Acasta and Partner, President and Chief Executive Officer of Acasta Capital
Belinda Stronach(1) Toronto, Canada	Director	June 23, 2015	Director of Acasta, Partner and Chair of Acasta Capital, and Chair and President of The Stronach Group
Geoff Beattie(1) Toronto, Canada	Director (Lead)	June 23, 2015	Director (Lead) of Acasta, Chief Executive Officer of Generation Capital and Chair of Relay Ventures
Johan Eliasch(1) Monaco	Director	June 23, 2015	Director of Acasta, and Chair and Chief Executive Officer of Head N.V.
Ian Kidson Toronto, Canada	Chief Financial Officer and Chief Operating Officer	March 3, 2017	Chief Operating Officer and Chief Financial Officer of Acasta
Michael Liebrock Toronto, Canada	Managing Director	January 3, 2017	Partner, Managing Director and Chief Financial Officer of Acasta Capital
Alexander Singh Toronto, Canada	Secretary	June 19, 2015	Secretary of Acasta and Partner, Managing Director, General Counsel and Secretary of Acasta Capital

Notes:

(1) Member of the Corporation's audit committee (the "**Audit Committee**").

As of the date hereof, as a group, the directors and executive officers own an aggregate of 9,483,093 Class B Shares, representing approximately 10.2% of the issued and outstanding Class B Shares.

The following are brief biographies of the directors and officers of the Corporation:

Directors

Anthony Melman, BSc (Eng), MBA, PhD
Years of Experience: 44 years

Anthony Melman is Partner, President and Chief Executive Officer of Acasta Capital. Anthony provides leadership across all of Acasta Capital's businesses. He was previously a partner and Managing Director of Onex Corporation where he spent 22 years, having joined in 1984. Anthony led or was involved in many of the major acquisitions that Onex undertook in that time period, and most of those investments created substantial value for Onex shareholders. Anthony also played a key role in structuring Onex's bids for Labatt Breweries and Air Canada, and arranging substantial and innovative related financings. Prior to Onex, Anthony was head of global project and acquisition financing at Canadian Imperial Bank of Commerce. Anthony is the Chairman of Baycrest Global Solutions Inc. He was previously on the board of Ontario Lottery and Gaming Corporation, Celestica Inc., and Canadian Pacific Railway Limited.

Geoff Beattie (Lead), JD
Years of Experience: 31 years

Geoff Beattie is Chief Executive Officer of Generation Capital and Chair of Relay Ventures. Geoff is a director of the General Electric Company, Royal Bank of Canada, Maple Leaf Foods and DBRS Inc. In addition to his board memberships, he is a trustee of the University Health Network in Toronto. Geoff served as Chief Executive Officer of The Woodbridge Company Limited from 1998 through 2012. Prior to that, Geoff was a partner in the Toronto office of the law firm Torys LLP and was a Vice-President at Wood Gundy & Company from 1987 to 1990. The Woodbridge Company Limited is a privately held investment holding company for the Thomson family of Canada and the majority shareholder of Thomson Reuters Corporation (formerly Thomson Corporation), where Geoff served as Deputy Chair. Geoff received a law degree from the University of Western Ontario in 1984. In 2011, Geoff received the Business Leadership Award from the University of Western Ontario's Faculty of Law.

Johan Eliasch
Years of Experience: 31 years

Johan Eliasch is Chair and Chief Executive Officer of Head N.V., the global sporting goods group. Johan is also Chair of Equity Partners Limited, Aman Resorts International Pte Limited, London Films Limited, Co-Chair of Cool Earth, President of Global Strategy Forum, non-executive director of CV Starr Underwriting Agents Limited, advisory board member of Brasilinvest Group SA, Société du Louvre, Centre for Social Justice, advisory board member of the Stockholm Resilience Centre, and member of the Mayor of London's and Rome's International Business Advisory Council. He is patron of Stockholm University and a trustee of the Kew Foundation. He is the former Special Representative of the Prime Minister of the United Kingdom (2007-2010). He is actively involved in preservation of the rainforest in the Brazilian state of Amazonas. Johan earned a business and economics degree from Stockholm University and a Master's degree in engineering from the Royal Institute of Technology in Stockholm, Sweden. Mr. Eliasch was also a Non-Executive Director of IMG Worldwide, Inc. (2006-2013), as well as the former chair of the IMG Worldwide, Inc. audit committee, a non-executive Chair of Investcorp SA (Europe) (2010-2013), a member of the British Olympic Association advisory board (2003-2012), served as the deputy treasurer of the Conservative Party (UK) (2003-2007) and covered shadow foreign relations (2003-2005), and served as a member of the Royal Lifeguard (1980-1981). Johan was recently awarded the Global Gift Humanitarian Award for his work with Cool Earth.

Belinda Stronach, PC, Hon LLD
Years of Experience: 30 years

Belinda Stronach is Partner and Chair of Acasta Capital, and Chair and President of The Stronach Group, a privately held consortium that owns, operates and manages a number of leading businesses in a range of industries. Previously, Belinda was Executive Vice-Chair, President and Chief Executive Officer of Magna International Inc., one of the world's largest suppliers of automotive systems and components. She is also a former Canadian Member of Parliament and served in Canada's Federal Cabinet as a Minister responsible for three senior portfolios.

Long recognized as an emerging leader with vision, the National Post identified Belinda in 2001 as the most powerful businesswoman in Canada. In the same year, the World Economic Forum named her a "Global Leader of Tomorrow." In 2002, she was ranked #2 by Fortune Magazine in its annual list of the world's most powerful women in business, and named one of Canada's "Top 40 under 40," an annual award that honours the country's most promising younger leaders. In 2004, TIME Magazine ranked Belinda as one of the world's 100 most influential people and in 2005 the World Economic Forum named her a member of its network of global young leaders. Also in 2005, the Women's Executive acclaimed Belinda a "trailblazer" and one of Canada's top 100 most powerful women.

In recognition of her contributions to business and public life, Belinda received an Honorary Doctor of Laws from the Michael G. DeGroote School of Business at McMaster University in 2003, an Honorary Doctor of Laws degree from Brock University in 2009, and an Honorary Doctor of Laws degree from the University of Windsor in 2011.

In 2008, Belinda received the Paul Harris Fellow Award, one of the highest honours that Rotary can bestow on an individual in recognition of outstanding contributions to the ideals of the Rotary service club organization.

Management

Anthony Melman, BSc (Eng), MBA, PhD
Chief Executive Officer

See "Directors and Officers – Name, Address, Occupation and Security Holding –Directors" sub-heading above.

Ian Kidson
Chief Operating Officer and Chief Financial Officer

Ian joined Acasta as COO and CFO in March 2017. Previously, Ian was the Executive Vice-President and Chief Financial Officer for Progressive Waste Solutions, until its acquisition by Waste Connections, Inc. Ian brings a constructive leadership style and positive mindset to challenging situations, including quickly changing operating conditions, interactions with activist investors, and other external factors. Prior to joining Progressive, Ian was a Managing Director with TD Mezzanine Partners and CIBC Wood Gundy with experience in investment banking, capital markets and merchant banking. He holds a bachelor of science and MBA in Accounting and Finance from McMaster University.

Michael Liebrock
Managing Director

Michael Liebrock is Partner and Managing Director of Acasta Capital. Michael works with companies and investment partners, on investments, mergers and acquisitions and other key strategic issues. Prior to joining Acasta Capital, he worked as a management consultant with The Boston Consulting Group, Inc. in Toronto, New York, and Sydney as a core member of the Corporate Development and Organization practice areas, where he led and managed mergers and business transformations. Michael previously developed and executed public policy agendas and campaigns for senior members of Canadian Federal government, as well as the Government of Ontario. Michael attended the University of Western Ontario for his BA, and the Richard Ivey School of Business for his MBA. Michael earned a wealth of transaction, strategy, and leadership experience working on numerous advisory mandates.

Alexander Singh, BComm, JD
Secretary

Alex Singh is Partner, Managing Director, General Counsel and Secretary of Acasta Capital. Alex serves as Corporate Secretary at Acasta Enterprises. Alex was previously General Counsel and Secretary to West Face Capital Inc., one of Canada's most prominent alternative asset managers. He was a member of the senior executive team, where he was actively involved in transactions, fund formation, compliance and regulatory matters, and operations. While Alex was at West Face Capital Inc., assets under management grew to $3 billion and from 12 to 38 employees. He was chosen as "Tomorrow's Leader" at the Canadian General Counsel Awards in 2013. Alex previously practiced corporate (including mergers and acquisitions) and securities law at Borden Ladner Gervais LLP.

Alex has a Juris Doctor degree from Dalhousie University, and a Bachelor of Commerce degree from McGill University.

Conflicts of Interest

Certain of the directors and executive officers of Acasta are officers and directors of, or are associated with, other public and private companies. Such associations may give rise to conflicts of interest with Acasta from time to time. The *Business Corporations Act* (Ontario) requires, among other things, that the directors and executive officers of Acasta act honestly and in good faith with a view to the best interest of Acasta, to disclose any personal interest which they may have in any material contract or transaction which is proposed to be entered into with Acasta and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the *Business Corporations Act* (Ontario).

Indemnification and Insurance

The Corporation maintains a director and officer insurance program to limit the Corporation's exposure to claims against, and to protect, its directors and officers. In addition, the Corporation has entered into indemnification agreements with each of its directors and officers. The indemnification agreements generally require that the Corporation indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Corporation as directors and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in, or not opposed to, the Corporation's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Corporation. Statutory indemnification rights also apply.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Acasta, none of its directors and officers is, or within 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including Acasta) that (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of Acasta, none of its directors and officers is, or within 10 years prior to the date hereof has been, a director or executive officer of any company (including Acasta) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

To the knowledge of Acasta, none of its directors and officers has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to invest in Acasta. In 2011, the Canada Revenue Agency issued a notice of reassessment to Anthony Melman for the 2007 taxation year for failing to report certain dividend income. The notice of reassessment included taxes, interest and the administrative imposition of the gross negligence penalty. On appeal of this decision to the Tax Court of Canada, the court dismissed Mr. Melman's appeal and held that he had participated in, assented to, or acquiesced in the making of an omission in his 2007 tax filings under circumstances amounting to gross negligence. Mr. Melman is appealing this tax court decision to the Federal Court of Appeal.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described in this AIF, none of the proposed directors or executive officers of Acasta, or any person or company that is expected to beneficially own, or control or direct more than 10% of any class or series of shares of Acasta, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date of the AIF, or any proposed transaction, that has materially affected or would materially affect Acasta or any of its expected subsidiaries.

AUDIT COMMITTEE

Overview

The Audit Committee consists of Geoff Beattie, Johan Eliasch and Belinda Stronach, each of whom is and must at all times be financially literate and independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The relevant education and experience of each member of the Audit Committee is described as part of their respective biographies above under "Directors and Executive Officers – Directors".

The Board has adopted a written charter for the Audit Committee, which sets out the Audit Committee's responsibility in reviewing and approving the financial statements of Acasta and public disclosure documents containing financial information and reporting on such review to the Board, ensuring that adequate procedures are in place for the reviewing of Acasta's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors. The text of the written charter of the Audit Committee and other Audit Committee information are set out in Appendix A.

Pre-Approval Policies and Procedures

All non-audit services to be provided by the Corporation's external auditor are required to be pre-approved by the Audit Committee. It is expected that, on an annual basis, the Audit Committee will continue to pre-approve a budget for certain specific non-audit services, such as, but limited to, tax compliance and relevant tax advisory.

External Audit Service Fees

The fees billed to Acasta by KPMG, LLP, as auditor of the Corporation, for the financial years ended December 31, 2016 and December 31, 2015 were as follows:

Year	Audit Fees(1)	Audit-Related Fees(2)	Tax Fees(3)	All Other Fees
2016	$202,250	$nil	$398,480	$nil
2015	$125,000	$10,000	$nil	$nil

Notes:

(1) "Audit Fees" include the audits and interim reviews of the Corporation's financial statements during the year ended December 31, 2016 and the period ended December 31, 2015, as well as, prospectus related assistance to underwriters, as applicable, and related procedures in connection with the Corporation's private placement and non-offering prospectus in 2016 and the Corporation's prospectus for its initial public offering in 2015.

(2) "Audit-Related Fees" include the French translation of the Corporation's financial statements included in the prospectus for the Corporation's initial public offering.

(3) "Tax Fees" include fees for tax compliance services; tax due diligence services in respect of a proposed qualifying acquisition; and tax consultation and advisory services

RISK FACTORS

The risks and uncertainties described in this AIF are those the Corporation currently believes to be material, taking into account the Qualifying Acquisition, but they are not the only ones it faces. If any of the following risks, or any other risks and uncertainties that the Corporation has not yet identified or that it currently considers not to be material, actually occur or become material risks, the our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could be materially and adversely affected.

Risk Factors Relating to Acasta

If the Qualifying Acquisition benefits do not meet the expectations of investors or securities analysts, the market price of Acasta securities may decline.

If the benefits of the Qualifying Acquisition do not meet the expectations of investors or securities analysts, the market price of Acasta's securities may decline.

In addition, fluctuations in the price of Acasta's securities could contribute to the loss of all or part of your investment. Any of the factors listed below could have a material adverse effect on your investment in Acasta securities, and they may trade at prices significantly below the price you paid for them. In such circumstances, the trading price may not recover and may experience a further decline.

- actual or anticipated fluctuations in the Corporation's quarterly financial results or the quarterly financial results of companies perceived to be similar;
- expected synergies from the private label consumer staples platform may not be realized;
- changes in the market's expectations about operating results;
- success of competitors;
- the Corporation's operating results failing to meet the expectation of securities analysts or investors in a particular period;
- operating and stock price performance of other companies that investors deem comparable to the Corporation;
- changes in laws and regulations affecting the business;
- commencement of, or involvement in, litigation involving the Corporation;
- changes in the Corporation's capital structure, such as future issuances of securities or the incurrence of additional debt;
- any major change in the Corporation's Board of directors or management; and
- sales of substantial amounts of common shares by directors, executive officers or significant shareholders or the perception that such sales could occur.

In addition, broad market and industry factors may materially harm the market price of Acasta's securities irrespective of operating performance. The stock market in general, and the TSX in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of the Corporation's securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to the Corporation could depress the share price regardless of the Corporation's business, prospects, financial conditions or results of operations. A decline in the market price of the Corporation's securities also could adversely affect their ability to issue additional securities and to obtain additional financing in the future.

There can be no assurance of adequate recovery by Acasta from the respective vendors of Apollo, JemPak and Stellwagen for any breach of the representations, warranties and covenants of the vendors of Apollo, JemPak and Stellwagen, as the case may be, under the purchase agreements for the Qualifying Acquisition.

There can be no assurance of adequate recovery by Acasta from the vendors of Apollo, JemPak and Stellwagen, as the case may be, for any breach of the representations, warranties and covenants of such vendors under any of the purchase agreements for the Qualifying Acquisition because there can be no assurance that the amount and length of the indemnification obligations will be sufficient to satisfy such obligations or that the Qualifying Acquisition vendors will have any assets or continue to exist.

Acasta may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on the financial condition, results of operations and Class B Share price, which could cause you to lose some or all of your investment.

Although Acasta conducted due diligence on each of Apollo, JemPak, and Stellwagen, Acasta cannot assure you that this diligence revealed all material issues that may be present in each of their respective businesses, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of either party's control will not later arise. As a result, Acasta may be forced to later write down or write-off assets, restructure its operations, or incur impairment or other charges that could result in losses. Even if due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with Acasta's preliminary risk analysis. In addition, charges of this nature may cause Acasta to be unable to obtain future financing on favorable terms or at all.

Warrants are exercisable for Class B Shares, which would increase the number of shares eligible for future resale in the public market and result in dilution to shareholders.

Following Closing, outstanding warrants to purchase an aggregate of 20,884,062 Class B Shares became exercisable in accordance with the terms of the Warrant Agreement . These warrants will expire at 5:00 p.m., Toronto time, five years following Closing or earlier upon redemption or liquidation. The exercise price of these warrants is $11.50 per share, or approximately $240 million in the aggregate for all shares underlying these warrants. The extent to which such warrants are exercised will result in dilution to the holders of Class B Shares and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of the Class B Shares.

There is no guarantee that the Warrants will ever be in the money, and the Warrants may expire worthless.

Pursuant to the terms of the Warrant Agreement, the Warrants are exercisable for an exercise price of $11.50 per Warrant. There is no guarantee that the Warrants will ever be in-the-money prior to their expiration, and as such, the Warrants may expire worthless.

The successful operation of the acquired businesses is largely dependent upon the efforts of certain key personnel. The loss of such key personnel could negatively impact the operations and profitability of the business.

Acasta's ability to successfully operate its business is dependent upon the efforts of certain key personnel. Although Acasta has no reason to believe any such key personnel will not remain with the Corporation for the foreseeable future, it is possible that the Corporation will lose some key personnel, the loss of which could negatively impact the operations and profitability of the post-combination business.

Acasta may be unable to realize its growth strategy, including launching its long-term private equity funds. Stellwagen may similarly be unable to raise capital for its aircraft financing vehicles.

While Acasta's growth strategy includes launching a series of long-term private equity funds, the first of which it plans to launch in 2017, there can be no assurance that the Corporation will be able to achieve this objective. There also can be no assurance that Stellwagen will be successful in raising its senior loan investment vehicle and/or other aircraft loan vehicles. The ability to raise capital for a private equity fund is dependent upon general economic conditions and the track record of the general partner and its management team. Although each of the Founders, on the one hand and Stellwagen's management, on the other hand, have significant experience in private equity, Acasta itself was only formed in 2015 and neither of Acasta nor Stellwagen have previously raised a private equity fund. In attempting to raise capital for a private equity fund, Acasta and Stellwagen will be competing with other private equity firms that have more experience and longer track records of successful investments in private equity. The private equity industry is highly competitive and has relatively low barriers to entry. Acasta and Stellwagen will compete based on a number of factors including: investment performance, the level of fees charged, the quality and diversity of services and products provided, name recognition and reputation, and the ability to develop new investment strategies and products to meet the changing needs of investors. Increased competition on the basis of any of these factors, including competition leading to fee reductions on existing or new business, may adversely affect either or both of the Corporation's and Stellwagen's operating results. As a result, Acasta and/or Stellwagen may not be successful in raising a private equity fund and the expected benefits to Acasta's and/or Stellwagen's stakeholders (including shareholders, as the case may be) from forming and managing private equity funds may not be realized.

Even if Acasta is able to raise one or more private equity funds, Acasta's investments may not be successful. Similarly, even if Stellwagen is successful in raising its senior loan investment vehicle, Stellwagen's investments may not perform as expected.

If Acasta is able to raise one or more private equity funds, there can be no assurance that Acasta will be successful in locating investments for such private equity funds, or that any businesses acquired by the private equity funds will have favourable operating results. Similarly, if Stellwagen is able to raise its senior loan investment vehicle, there can be no assurance that it will be successful in investing the funds raised. In addition, if either of Acasta or Stellwagen makes only a limited number of investments, the aggregate returns realized by Acasta or Stellwagen, as the case may be, could be adversely affected in a material manner by the unfavourable performance of even one such investment. If the investments of either of Acasta's or Stellwagen's private equity funds are not successful, the benefits expected to be received from such private equity funds will not be realized.

The payment of dividends by the Corporation is not guaranteed.

There can be no assurance that the Corporation will commence payment of dividends, and if commenced, that they will continue and at what levels. Dividends are paid at the discretion of the Board and depend on the financial condition of the Corporation and other factors. See "Dividend Policy" in this AIF.

Risk Factors Relating to the Business of Apollo

The personal care and consumer products business is highly competitive, and if Apollo is unable to compete effectively results will suffer.

Apollo faces vigorous competition from companies throughout the world, including multinational consumer product companies. Some of these competitors have greater resources than Apollo does and others are new companies competing in emerging distribution channels. In some cases, competitors may be able to respond to changing business and economic conditions more quickly than Apollo. Competition in the personal care and consumer products business is based on pricing of products, innovation, perceived value, service to the consumer, promotional activities, advertising, special events, new product introductions, e-commerce initiatives and other activities. It is difficult to predict the timing and scale of competitors' actions in these areas. Apollo's inability to continue to compete effectively in key markets could have an adverse impact on the business.

Fluctuations in the value of the Canadian dollar in relation to the U.S. dollar may impact Apollo's operating income and the use of derivatives to provide hedges of certain exposures could also impact negatively on Apollo's operations.

Sales of Apollo's products to customers outside Canada account for a significant percentage of its revenue. Because the prices for such products are quoted in foreign currencies, any increase in the value of the Canadian dollar relative to such currencies, in particular the U.S. dollar, reduces the value of Canadian dollar revenues and operating income reported by Apollo. Apollo also purchases raw materials for its products in world markets, and is subject to fluctuations of local currencies affecting the cost of such products. Exchange rate fluctuations are beyond Apollo's control and there can be no assurance that such fluctuations will not have a material adverse effect on Apollo's business. The use of derivatives to provide hedges of certain exposures, such as interest rate swaps, forward foreign exchange contracts or raw materials futures contracts could also impact negatively on Apollo's operations.

A skilled workforce and agile organization are essential for the continued success of the business. While labour relations between Apollo and its employees are good, the maintenance of a productive and efficient labour environment cannot be assured.

Apollo’s ability to attract, develop, organize and retain the right number of appropriately qualified people is critical to compete and grow effectively. The loss of key management or other key personnel or the inability to identify, attract and retain qualified personnel could make it difficult to manage Apollo’s business and could adversely affect operations and financial results.

While labour relations between Apollo and its employees are good, the maintenance of a productive and efficient labour environment cannot be assured. Accordingly, a deterioration of labour relationships could have a material adverse effect on the business, financial condition and results of operations of Apollo. If Apollo’s employees were to unionize and seek to negotiate a collective agreement, or if mandatory minimum wage legislation is materially amended, such developments could have an adverse effect on Apollo’s business and operating results.

Commodity price fluctuations may have a material adverse effect on Apollo’s business.

Apollo’s manufacturing operations require several key commodity inputs, the most significant of which are resin, which is used in the manufacture of molded packaging, fragrances, surfactants and linerboard (to manufacture the boxes in which Apollo products are cased). Currently, raw materials comprise approximately 60% of Apollo’s cost of goods sold. Commodity price fluctuations are beyond Apollo’s control (above and beyond foreign exchange fluctuations) and while Apollo may engage in certain strategic sourcing initiatives, there can be no assurance that commodity price fluctuations will not have a material adverse effect on Apollo’s business.

Apollo’s dependence on a limited number of customers.

In 2016, Apollo’s three largest clients contributed approximately 56% of its revenue. A significant purchasing reduction by one of Apollo’s largest customers could have a material adverse effect on Apollo’s business. A consolidation in the retail trade may result in Apollo becoming increasingly dependent on certain key retailers. This could result in an increased risk related to the concentration of any of Apollo’s customers. A severe adverse impact on the business operations of Apollo’s customers could have a corresponding material adverse effect on Apollo. If one or more of Apollo’s largest customers materially change their current strategies (including pricing or promotional activities) or materially change or terminate their relationship with Apollo, there could be a material adverse effect on Apollo’s business. Apollo’s inability to continue to compete effectively in key markets could have an adverse impact on business.

As a result of the geographic concentration of the sole manufacturing and distribution facility that Apollo relies upon, its operations are susceptible to local and regional factors.

As a result of the geographic concentration of the sole manufacturing and distribution facility that Apollo relies upon in Toronto, Ontario, its operations are susceptible to local and regional factors, such as accidents, road closures, terrorist activity, system failures, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Extreme weather conditions, such as heavy snowfall, electrical storms or rainfall in the area in which such facility is located, could adversely affect Apollo’s business. Any failure or prolonged disruption of key manufacturing equipment for any reason, including any regulatory quarantine order or any need for systemic contaminant elimination, could significantly interrupt operations. Any such significant interruption in the operations of this facility, the ability of such facility to receive raw materials, or to distribute finished products, could have a material adverse effect on Apollo’s results of operations, financial condition and cash flows.

Any disruption to the quantities and quality of water necessary for Apollo to manufacture its products could have a material adverse effect on its business, financial condition and results of operations.

The manufacturing operations of Apollo are dependent on large quantities of high quality water. Any disruption to the quantities and quality of water necessary for Apollo to manufacture its products could have a material adverse effect on its business, financial condition and results of operations.

The loss of key members of Apollo’s executive team could have a material adverse effect on the business, financial condition and results of operations of Apollo.

The operations of Apollo are dependent on the abilities, experience and efforts of its senior management team, namely its two co-founders. The loss of either of these key members of the executive team could have a disruptive effect on the implementation of Apollo's business strategy and the efficient running of day-to-day operations. This could have a material adverse effect on the business, financial condition and results of operations of Apollo.

Successful customer relationships are vital to Apollo's business and continued growth.

Maintaining strong relationships with existing customers and building relationships with new customers who serve changing consumer shopper habits are necessary to ensure Apollo's brands are well presented to consumers and available for purchase at all times. The strength of customer relationships also affects Apollo's ability to obtain pricing and competitive trade terms. Failure to maintain strong relationships with customers could negatively impact the terms of business with the affected customers and reduce the availability of Apollo products to consumers.

As a branded goods business, Apollo's success depends on the value and relevance of brands and products to consumers in North America and on the ability to innovate and remain competitive.

Consumer tastes, preferences and behaviors are constantly changing, and Apollo's ability to anticipate and respond to these changes and to continue to differentiate Apollo's brands and products is vital to business. Apollo is dependent on creating innovative products that continue to meet the needs of consumers. Without effective innovation, Apollo's sales or margins could be materially adversely affected.

Apollo has a well-recognized and strong reputation that could be negatively impacted by many factors. If its reputation is adversely affected, its ability to attract and retain customers and consumers could be impacted. In addition, certain of Apollo's key retailers in North America market and sell competing brands or are owned or otherwise affiliated with companies that market and sell competing brands. Apollo's inability to continue to compete effectively in North America could have an adverse impact on business.

Any disruption in border crossing practices or any material change to existing U.S. trade policies, could make it more difficult for Apollo to distribute its products or could increase the cost of so doing and could adversely affect Apollo's operations and financial results.

Apollo's business is subject to extensive legal and regulatory requirements in the U.S. Such legal and regulatory requirements apply to most aspects of Apollo's products, including their development, ingredients, manufacture, packaging, labeling, transportation, distribution, export and import. New or more stringent legal or regulatory requirements, or more restrictive interpretations of existing requirements, could adversely impact Apollo's business, results of operations, cash flows and financial condition. For example, Apollo's products are principally delivered to customers via the trucking industry, and must enter the United States from Canada utilizing a limited number of border crossings. Any disruption in border crossing practices, due to increased security measures in response to terrorist activity, or any material change to existing U.S. trade policies, could make it more difficult for Apollo to distribute its products or could increase the cost of so doing and could adversely affect Apollo's operations and financial results.

Apollo's dependence upon consumer perceptions means that adverse litigation, media attention, regulatory proceedings or other publicity could have a material adverse effect on the demand for the products that Apollo manufactures, and its business, results of operations, financial condition and cash flows.

Retail marketing generally, and the personal care and consumer product market specifically, is highly dependent upon consumer perception. Consumer perception of Apollo's customers' products, or Apollo's customers, can be significantly influenced by litigation, national media attention, regulatory investigations and other publicity. Apollo's dependence upon consumer perceptions of both the products that it manufacturers, and its customers, means that adverse litigation, media attention, regulatory proceedings or other publicity, whether or not accurate, could have a material adverse effect on the demand for the products that Apollo manufactures, and its business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of the products manufactured by Apollo, or with respect to any of Apollo's customers, could have such a material adverse effect.

A product liability claim or regulatory action against Apollo could result in increased costs, Apollo's (or its customer's) reputation or the appeal of the brand could be diminished, market share could be lost, and could have a material adverse effect on its results of operations and financial condition.

The quality and safety of Apollo's products are of paramount importance for brands and reputation. The risk that raw materials are accidentally or maliciously contaminated throughout the supply chain or that other product defects occur due to human error, equipment failure or other factors cannot be excluded.

Many of Apollo's products are designed to come in contact with skin, and as a consequence, could face the possible risk of exposure to product liability claims, regulatory action and litigation if they are alleged to have caused loss or injury. In addition, the manufacture and sale of Apollo's products involve the risk of injury to consumers due to tampering by unauthorized third parties, or unintended contamination of raw materials obtained from suppliers. Apollo's products generally are not subject to pre-market regulatory approval. Certain of Apollo's products contain ingredients that do not have long histories of human use, and may not have the effects intended. Previously unknown adverse reactions resulting from the use of these ingredients, or combinations of ingredients could occur. A product liability claim or regulatory action against Apollo could result in increased costs, Apollo's (or its customer's) reputation or the appeal of the brand could be diminished, market share could be lost, and could have a material adverse effect on its results of operations and financial condition.

A recall of Apollo's products could lead to decreased demand for Apollo's products and could have a material adverse effect on its results of operations and financial condition.

Manufacturers and distributors of products in Apollo's industry are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as ingredient contamination, unintended harmful side effects or interactions with other ingredients, packaging safety and inadequate or inaccurate labeling disclosure. If any of Apollo's products are recalled due to an alleged product defect or for any other reason, Apollo could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Apollo may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Apollo acquires its raw materials from third parties. Apollo cannot assure that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of Apollo's significant products was subject to recall, the image of that brand and Apollo's customer's image could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for Apollo's products and could have a material adverse effect on its results of operations and financial condition. Additionally, product recalls may lead to increased scrutiny of Apollo's operations by federal, provincial or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Apollo's inability to anticipate and respond to market trends and changes in consumer preferences could adversely affect financial results.

Apollo's continued success depends on the ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer tastes for skin care, makeup, fragrance and hair care products, attitudes toward Apollo's industry and brands, as well as to where and how consumers shop for those products. Apollo must continually work to develop, manufacture and market new products, maintain and adapt services to existing and emerging distribution channels, maintain and enhance the recognition of the brands, achieve a favorable mix of products, successfully manage inventories, and refine the approach as to how and where Apollo markets and sells products. While considerable effort and resources are devoted to shape, analyze and respond to consumer preferences, consumer tastes cannot be predicted with certainty and can change rapidly. The issue is compounded by the increasing use of digital and social media by consumers and the speed by which information and opinions are shared. If Apollo is unable to anticipate and respond to sudden challenges that may be present in the marketplace, trends in the market for products and changing consumer demands and sentiment, financial results will suffer.

Apollo's strategic investment choices will affect the long-term growth and profits of Apollo's business.

Apollo's growth and profitability are determined by its portfolio of products that evolve over time. If Apollo does not make optimal strategic investment decisions then opportunities for growth and improved margin could be missed.

The success of Apollo's business depends on finding sustainable solutions to support long-term growth.

Apollo's vision to accelerate growth in its business while reducing its environmental footprint and increasing positive social impact will require more sustainable ways of doing business. This means reducing the environmental footprint while increasing the positive social benefits of Apollo's activities. Apollo is dependent on the efforts of partners and various certification bodies to achieve sustainability goals. There can be no assurance that sustainable business solutions will be developed and failure to do so could limit Apollo's growth and profit potential and damage the corporate reputation.

Apollo's business depends on purchasing materials, efficient manufacturing and the timely distribution of products to customers.

Apollo's supply chain network is exposed to potentially adverse events such as physical disruptions, environmental and industrial accidents or bankruptcy of a key supplier which could impact its ability to deliver orders to customers. The cost of products can be significantly affected by the cost of the underlying commodities and materials from which they are made. Fluctuations in these costs cannot always be passed on to the consumer through pricing.

A significant change in customer relationships or in customer demand for Apollo products could have a significant impact on the business.

Apollo sells most products via retail customers, which include mass merchandisers, grocery stores, membership club stores, drug stores, department stores, salons, distributors, e-commerce and high-frequency stores. Apollo's success is dependent on the ability to successfully manage relationships with retail trade customers, which includes the ability to offer trade terms that are mutually acceptable and are aligned with Apollo's pricing and profitability targets. Continued consolidation among retail customers could create significant cost and margin pressure on the business, and business performance could suffer if an agreement cannot be reached with a key customer based on acceptable trade terms and principles. Apollo's business could also be negatively impacted if a key customer were to significantly reduce the inventory level of Apollo products or experience a significant business disruption.

Apollo's ability to meet growth targets depends on successful product, marketing and operations innovation and successful responses to competitive innovation.

Apollo is a consumer products company that relies on continued demand for its brands and products. Achieving business results depends, in part, on successfully developing, introducing and marketing new products and on making significant improvements to the equipment and manufacturing processes. The success of such innovation depends on Apollo's ability to correctly anticipate customer and consumer acceptance and trends, to obtain, maintain and enforce necessary intellectual property protections and to avoid infringing upon the intellectual property rights of others. Apollo must also be able to successfully respond to technological advances made by, and intellectual property rights granted to, competitors. Failure to do so could compromise Apollo's competitive position and adversely impact results.

Apollo may not maintain profitability in the future.

While Apollo's revenue has grown in recent periods, this growth may not be sustainable, and Apollo may not achieve sufficient revenue to maintain profitability. Apollo also may incur significant losses in the future for a number of reasons, including due to the other risks described in this prospectus, and Apollo may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that are beyond its control. Accordingly, Apollo may not be able to maintain profitability, and may incur losses in the future.

The failure to successfully integrate acquired businesses or to control operating performance and achieve synergies, may have a material adverse effect on the business, financial condition and results of operations of Apollo.

As part of its growth strategy, Apollo may pursue acquisition opportunities where such transactions are economically and strategically justified. However, there can be no assurance that Apollo will be able to identify attractive acquisition opportunities in the future or have the required resources to complete desired acquisitions, or that it will succeed in effectively managing the integration of acquired businesses. The failure to successfully integrate acquired businesses or to control operating performance and achieve synergies, may have a material adverse effect on the business, financial condition and results of operations of Apollo.

Apollo's operations are increasingly dependent on information technology ("IT") systems and the management of information.

Increasing digital interactions with customers, suppliers and consumers place ever greater emphasis on the need for secure and reliable IT systems and infrastructure and careful management of the information that is in Apollo's possession. Disruption of IT systems could inhibit Apollo's business operations in a number of ways, including disruption to sales, production and cash flows, ultimately impacting results. There is also a threat from unauthorized access and misuse of sensitive information. Apollo's information systems could be subject to unauthorized access or the mistaken disclosure of information which disrupts Apollo's business and/or leads to loss of assets.

External economic and political risks and natural disasters.

Adverse economic conditions may result in reduced consumer demand for Apollo products and may affect one or more countries within a region, or may extend globally. Government actions such as fiscal stimulus and price controls can impact on the growth and profitability of local operations. Social and political upheavals and natural disasters can disrupt sales and operations.

Compliance with laws and regulations is an essential part of Apollo's business operations.

Apollo is subject to local, national and regional laws and regulations in such diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes. Failure to comply with laws and regulations could expose Apollo to civil and/or criminal actions leading to damages, fines and criminal sanctions against employees with possible consequences for corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business. Tax, in particular, is a complex area where laws and their interpretation are changing regularly, leading to the risk of unexpected tax exposures. Apollo is also exposed to varying degrees of risk and uncertainty related to other factors including environmental, political, social and fiscal risks. All these risks could materially affect Apollo's business. There may be other risks which are unknown to Apollo or which are currently believed to be immaterial.

Apollo's dependence on environmental compliance could have a material adverse effect on its business.

Apollo's manufacturing facility is subject to federal, provincial, and municipal laws concerning, among other things, emissions to the air, water and sewer discharges, handling and disposal of wastes, recycling, or otherwise relating to protection of the environment. Compliance with these laws has not had, and Apollo does not expect it to have, a material effect upon income or competitive position of Apollo. Environmental laws and regulations, and their interpretation, however, have changed rapidly in recent years and may continue to do so in the future. Apollo's sole facility, as well as areas surrounding such facility, may have had historic uses (or may have current uses, in the case of surrounding properties), which may affect such facility and require further study or remedial measures.

Apollo's profitability and operations may be negatively impacted if the necessary consents are not obtained for its key environmental permits on the same or similar terms as Apollo currently enjoys.

Apollo relies on certain environmental permits to operate its business, which permits must be transferred to Acasta's subsidiary at Closing. If the government agency does not grant consent to transfer such permits within the required time period, or imposes more onerous restrictions than Apollo is currently subject to, Apollo's profitability may suffer and/or its operations may be interrupted.

Risk Factors Relating to the Business of JemPak

The household products business is highly competitive, and if JemPak is unable to compete effectively results will suffer.

JemPak faces vigorous competition from companies throughout the world, including multinational consumer product companies. Some of these competitors have greater resources than JemPak does and others are new companies competing in emerging distribution channels. In some cases, competitors may be able to respond to changing business and economic conditions more quickly than JemPak. Competition in the dishwashing and laundry business is based on pricing of products, innovation, perceived value, service, promotional activities, advertising, special events, new product introductions and e-commerce initiatives and other activities. It is difficult to predict the timing and scale of competitors' actions in these areas. A consolidation in the retail trade may result in JemPak becoming increasingly dependent on key retailers. This could result in an increased risk related to the concentration of JemPak's customers. A severe adverse impact on the business operations of JemPak's customers could have a corresponding material adverse effect on JemPak. If one or more of JemPak's largest customers change their strategies (including pricing or promotional activities) or change or terminate their relationship with JemPak, there could be a material adverse effect on the business.

JemPak's dependence upon a limited number of customers.

In 2016, JemPak's two largest clients contributed approximately 69% of its net revenue. A significant purchasing reduction by one of JemPak's largest customers or a loss of one or both of JemPak's largest customers could have a material adverse effect on the business.

JemPak's success depends on the value and relevance of its customers' brands and products to consumers around the world and on the ability to innovate and remain competitive.

Consumer tastes, preferences and behaviors are constantly changing and JemPak's ability to anticipate and respond to these changes and to continue to differentiate JemPak's customers' brands and products is vital to its business. JemPak is dependent on creating innovative products that continue to meet the needs of consumers. Without effective innovation, JemPak's sales or margins could be materially adversely affected.

JemPak has a well-recognized and strong reputation that could be negatively impacted by many factors. If its reputation is adversely affected, its ability to attract and retain customers could be impacted. In addition, certain of JemPak's key retailers around the world market and sell competing brands. JemPak's inability to continue to compete effectively in key markets around the world could have an adverse impact on business.

JemPak's inability to anticipate and respond to market trends and changes in consumer preferences could adversely affect financial results.

JemPak's continued success depends on the ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer tastes for laundry and dishwashing products, attitudes toward JemPak's industry and customer brands, as well as to where and how consumers shop for those products. JemPak must continually work to develop, manufacture and market new products, maintain and adapt services to existing and emerging distribution channels, achieve a favorable mix of products, successfully manage inventories and refine the approach as to how and where JemPak markets and sells products. While considerable effort and resources are devoted to shape, analyze and respond to consumer preferences, consumer tastes cannot be predicted with certainty and can change rapidly. The issue is compounded by the increasing use of digital and social media by consumers and the speed by which information and opinions are shared. If JemPak is unable to anticipate and respond to sudden challenges that may be present in the marketplace, trends in the market for products and changing consumer demands and sentiment, financial results will suffer and it could have a material adverse effect on the business.

JemPak's strategic investment choices will affect the long-term growth and profits of business.

JemPak's growth and profitability are determined by its portfolio of categories, geographies and channels and how these evolve over time. If JemPak does not make optimal strategic investment decisions, then opportunities for growth and improved margin could be missed.

JemPak's customers could be impacted by volatility in commodity prices.

The competitive marketplace in which JemPak operates may limit its ability to recover increased costs through higher prices. As a result, JemPak is subject to market risk with respect to commodity price fluctuations principally related to JemPak's purchases of surfactants, enzymes, Acusol/Flosperse, polyvinyl alcohol film (for monodose pacs), fragrances, and various resin-based materials. JemPak manages some of its exposure to this risk through the use of supplier pricing agreements, which enables it to fix the purchase prices for certain materials. Increases in the prices of these commodities may have a material adverse effect on JemPak's financial position, results of operations or cash flows, as JemPak may not be able to pass cost increases on to its customers, or JemPak's sales may be reduced.

Fluctuations in the value of the Canadian dollar in relation to the U.S. dollar may impact JemPak's operating and financial results and may affect the comparability of JemPak's results between financial periods.

JemPak is exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily changes in the value of the Canadian dollar versus the U.S. dollar. Exchange rate fluctuations could have an adverse effect on JemPak's operating and financial results.

The majority of JemPak's sales are derived in U.S. dollars while the majority of JemPak's salaries and all operating and manufacturing overheads are denominated in Canadian dollars. In the future, JemPak expects to continue to derive a significant portion of its sales in U.S. dollars and incur a significant portion of its operating costs in Canadian dollars and changes in exchange rates between the Canadian dollar and the U.S. dollar may have a significant, and potentially adverse, effect on JemPak's results of operations.

JemPak finances its U.S. dollar-denominated purchases and salaries from its U.S. dollar-denominated sales, thus using a natural hedging strategy to mitigate risks associated with certain foreign currency exposures, but there can be no assurances that such strategy will prove to be successful.

JemPak's financial statements are presented in accordance with IFRS, and JemPak reports, and will continue to report, its results in Canadian dollars. Any change in the value of the U.S. dollar against the Canadian dollar during a given financial reporting period would result in a foreign currency loss or gain on the translation of U.S. dollar denominated sales and costs. Consequently, JemPak's reported earnings could be affected by foreign exchange translation gains or losses and may not be comparable from period to period.

Successful customer relationships are vital to JemPak's business and continued growth.

Maintaining strong relationships with existing customers and building relationships with new customers who serve changing shopper habits are necessary to ensure JemPak's products are well presented to consumers and available for purchase at all times. The strength of customer relationships also affects JemPak's ability to obtain pricing and competitive trade terms. Failure to maintain strong relationships with customers could negatively impact the terms of business with the affected customers and reduce the availability of JemPak products, which could have a material adverse effect on its business.

A skilled workforce and agile organization are essential for the continued success of the business.

JemPak's ability to attract, develop, organize and retain the right number of appropriately qualified people is critical to compete and grow effectively. The loss of management or other key personnel or the inability to identify, attract and retain qualified personnel could make it difficult to manage the business and could adversely affect operations and financial results.

JemPak's dependence on environmental compliance could have a material adverse effect on its business.

JemPak's operations are subject to federal, provincial and/or local laws and regulations that: (i) impose limitations and prohibitions on the discharge and emission of, and establish standards for the use, disposal and management of, regulated materials and waste; and (ii) impose liability for the costs of investigating and cleaning up, and damages resulting from, present and past spills, disposals or other releases of hazardous substances or materials. These regulations relate primarily to worker safety, air and water quality, and waste handling and disposal. Compliance expenses are typically insignificant; however, violations may result in substantial fines and penalties. In addition, environmental laws such as the *Environmental Protection Act* (Ontario) impose strict, and in some cases joint and several, liability on specified responsible parties for the investigation and cleanup of contaminated soil, groundwater and buildings, and liability for damages to natural resources. As a result, JemPak may be liable for contamination at properties that it currently operates, as well as at its former properties or off-site properties where JemPak may have sent hazardous substances. In order to comply with environmental laws, JemPak has incurred and will continue to incur costs which may be material.

The business depends on purchasing materials, efficient manufacturing and the timely distribution of products to customers.

JemPak's supply chain network is exposed to potentially adverse events such as physical disruptions, environmental and industrial accidents or bankruptcy of a key supplier which could impact its ability to deliver orders to customers. The cost of products can be significantly affected by the cost of the underlying commodities and materials from which they are made. Fluctuations in these costs cannot always be passed on to the customer through pricing and may have a material adverse effect on the business. If JemPak's current suppliers cannot adequately service the company's demand for raw materials, the company may purchase raw materials from other suppliers located throughout North America and globally which may result in increased raw material costs to JemPak. There can be no assurance that JemPak will be able to pass along such increased costs to its customers.

Safe and high quality products.

The quality and safety of JemPak's products are of paramount importance for their products and reputation. The risk that raw materials are accidentally or maliciously contaminated throughout the supply chain or that other product defects occur due to human error, equipment failure or other factors cannot be overlooked.

If JemPak's products are found to be, or perceived to be, defective or unsafe, or if they otherwise fail to meet customers' standards: (i) JemPak's relationship with customers could materially suffer; (ii) some products may need to be recalled and/or become subject to regulatory action; (iii) JemPak's reputation could be materially diminished; (iv) market share could be materially lost; and/or (v) JemPak could become subject to liability claims, any of which could result in a material adverse effect on the business, prospects, financial condition, liquidity, results of operations and cash flows.

A significant change in customer relationships or in customer demand for JemPak products could have a significant impact on the business.

JemPak sells most products via retail customers, which include mass merchandisers, grocery stores, membership club stores, drug stores, department stores, salons, distributors, e-commerce and high-frequency stores. JemPak's success is dependent on the ability to successfully manage relationships with retail trade customers, which includes the ability to offer trade terms that are mutually acceptable and are aligned with JemPak's pricing and profitability targets. Continued consolidation among retail customers could create significant cost and margin pressure on the business, and business performance could materially suffer if an agreement cannot be reached with a key customer based on acceptable trade terms and principles. The business could also be negatively impacted if a key customer were to significantly reduce the inventory level or terminate the inventory of JemPak products or experience a significant business disruption.

JemPak's ability to meet growth targets depends on successful product, marketing and operations innovation and successful responses to competitive innovation.

JemPak is a manufacturer that relies on continued global demand for its products. Achieving business results depends, in part, on successfully developing, introducing and marketing new products and on making significant improvements to the equipment and manufacturing processes. The success of such innovation depends on JemPak's ability to correctly anticipate customer and consumer acceptance and trends, to obtain, maintain and enforce necessary intellectual property protections and to avoid infringing upon the intellectual property rights of others. JemPak must also be able to successfully respond to technological advances made by, and intellectual property rights granted to, competitors. Failure to do so could compromise JemPak's competitive position and materially adversely impact results.

JemPak may not maintain profitability in the future.

While JemPak's revenue has grown in recent periods, this growth may not be sustainable and JemPak may not achieve sufficient revenue to maintain profitability. JemPak also may incur significant losses in the future for a number of reasons, including due to the other risks described in this prospectus, and JemPak may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that are beyond its control. Accordingly, JemPak may not be able to maintain profitability, and may incur losses in the future.

The success of JemPak's business depends on finding sustainable solutions to support long-term growth.

JemPak's vision to accelerate growth in the business while reducing its environmental footprint and increasing positive social impact will require more sustainable ways of doing business. This means reducing the environmental footprint, while increasing the positive social benefits of JemPak's activities. JemPak is dependent on the efforts of partners and various certification bodies to achieve sustainability goals. There can be no assurance that sustainable business solutions will be developed and failure to do so could limit JemPak's growth and profit potential and damage the corporate reputation and have a materially adverse effect on its business.

JemPak's operations are increasingly dependent on IT systems and the management of information.

Increasing digital interactions with customers and suppliers place ever greater emphasis on the need for secure and reliable IT systems and infrastructure and careful management of the information that is in JemPak's possession. Disruption of IT systems could inhibit JemPak's business operations in a number of ways, including disruption to sales, production and cash flows, ultimately adversely impacting results. There is also a threat from unauthorized access and misuse of sensitive information. JemPak's information systems could be subject to unauthorized access or the mistaken disclosure of information which disrupts JemPak's business and/or leads to loss of assets.

External economic and political risks and natural disasters.

Adverse economic conditions may result in reduced demand for JemPak's products and may affect one or more countries within a region, or may extend globally. Government actions such as fiscal stimulus and price controls can impact growth and profitability. Social and political upheavals and natural disasters can adversely disrupt sales and operations.

Any disruption in border crossing practices or any material change to existing U.S. trade policies, could make it more difficult for JemPak to distribute its products or could increase the cost of so doing and could adversely affect JemPak's operations and financial results.

JemPak's business is subject to extensive legal and regulatory requirements in the U.S. Such legal and regulatory requirements apply to most aspects of JemPak's products, including their development, ingredients, manufacture, packaging, labeling, transportation, distribution, export and import. New or more stringent legal or regulatory requirements, or more restrictive interpretations of existing requirements, could adversely impact JemPak's business, results of operations, cash flows and financial condition. For example, JemPak's products are principally delivered to customers via the trucking industry, and must enter the United States from Canada utilizing a limited number of border crossings. Any disruption in border crossing practices, due to increased security measures in response to terrorist activity, or any material change to existing U.S. trade policies, could make it more difficult for JemPak to distribute its products or could increase the cost of so doing and could adversely affect JemPak's operations and financial results.

Compliance with laws and regulations is an essential part of JemPak's business operations.

JemPak is subject to local, national and regional laws and regulations in such diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, employment and taxes. Failure to comply with laws and regulations could expose JemPak to civil and/or criminal actions leading to damages, fines and criminal sanctions against employees with possible consequences for corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business. Tax, in particular, is a complex area where laws and their interpretation are changing regularly, leading to the risk of unexpected tax exposures. JemPak is also exposed to varying degrees of risk and uncertainty related to other factors including environmental, political, social and fiscal risks. All of these risks could materially affect JemPak's business. There may be other risks which are unknown to JemPak or which are currently believed to be immaterial, but that may be material.

Risk Factors Relating to the Business of Stellwagen

If the assumptions and analyses underlying Stellwagen's strategy and business plan, including with respect to market conditions, capital and liquidity, business strategy, and operations are incorrect, Stellwagen may be unsuccessful in executing its strategy and business plan and may not generate a profit.

A number of strategic issues affect Stellwagen's business, including how it allocates its capital and liquidity, its business strategy, its funding models, and the quality and efficiency of operations. Stellwagen developed its strategy and business plan based upon certain assumptions, analyses, and financial forecasts, including with respect to capital levels, funding model, credit ratings, revenue growth, earnings, interest margins, expense levels, cash flow, credit losses, liquidity and financing sources, Stellwagen's ability to execute and consummate deals in its investment banking pipeline, lines of business and geographic scope, acquisitions and divestitures, equipment residual values, capital expenditures, retention of key employees, and the overall strength and stability of general economic conditions. Financial forecasts are inherently subject to many uncertainties and are necessarily speculative and it is likely that one or more of the assumptions and estimates that are the basis of these financial forecasts will not be accurate. Accordingly, Stellwagen's actual financial condition and results of operations may differ materially from its targets. If Stellwagen is unable to implement its strategic initiatives effectively, it may need to refine, supplement, or modify its business plan and strategy in significant ways. If Stellwagen is unable to fully implement its business plan and strategy, it may have a material adverse effect on the company's business, results of operations and financial condition.

In addition, Stellwagen's business is subject to unpredictable levels of customer demand and to volatility in and visibility of revenue. Accordingly, Stellwagen may not be able to maintain profitability and may incur losses in any specific quarter or in the future.

Stellwagen has a limited operating history and most of its current revenue is concentrated in a business unit with a small number of customers. As a result, Stellwagen could experience a significant decline in revenue and operating performance if it were unable to execute on and diversify its business plan, and/or experience a loss of one or more of its current customers due to factors beyond its control and/or the aviation supply chain of OEMs, engine manufacturers and other suppliers were to delay or disrupt the delivery of commercial aircraft.

Stellwagen was founded in 2013 and did not generate meaningful revenue until the calendar year 2014. Since inception, Stellwagen's business has been focused on its investment banking unit, which raises capital and arranges financing for third parties. As a result, a substantial portion of Stellwagen's current revenues have been concentrated in this segment, which tends to be more volatile and difficult to forecast. Although over time, Stellwagen anticipates that its revenue and operating performance will be less dependent on this segment and it will be more evenly distributed across its four business units, there can be no assurance of this happening or happening within a specific timeframe. Additionally, the revenues generated by the investment banking unit are comprised of arrangement fees, service fees and profit participation fees arising from a limited number of customers. Stellwagen expects that the significance of these customers in any one year will decline over time as Stellwagen adds new customers and builds out its other lines of business. However, Stellwagen expects that a small number of customers will continue to account for a substantial portion of its revenue in the near term. If Stellwagen were to lose one or more of these customers or if one or more of these customers' business should materially decline, the company's revenue and profits would be materially adversely affected.

Competition from both traditional competitors and new market entrants may adversely affect Stellwagen's market share, profitability, and returns.

Stellwagen's markets are highly competitive and are characterized by competitive factors that vary based upon product and geographic region. The company has a wide variety of competitors that include captive and independent finance companies, commercial banks and thrift institutions, industrial banks, community banks, leasing companies, hedge funds, insurance companies, manufacturers and vendors.

Stellwagen competes on the basis of pricing, product terms, innovation and structure, the range of products and services offered and the quality of customer service (including convenience and responsiveness to customer needs and concerns). The ability to access and use technology in the delivery of products and services to its customers is an increasingly important competitive factor in the financial services industry, and it is a critically important component to customer satisfaction.

If Stellwagen is unable to address the competitive pressures that it faces, the company could lose market share or may not be able to launch its senior loan investment vehicle. On the other hand, if Stellwagen meets those competitive pressures, it is possible that the company could incur significant additional expense, experience lower returns due to compressed net finance revenue, and/or incur increased losses due to less rigorous risk standards.

Customer demand for certain types of aircraft may decline, reducing the amount of revenue Stellwagen earns on arranging financing for and servicing such aircraft.

Aircraft are long-living assets and demand for a particular model and type of aircraft can change over time. Demand may decline for a variety of reasons, including obsolescence following the introduction of newer technologies or the failure of new or untested technology, market saturation due to increased production rates, technical problems associated with a particular model, new manufacturers entering the marketplace or existing manufacturers entering new market segments, additional governmental regulation such as environmental rules or aircraft age limitations, or the overall health of the airline industry.

The supply and demand for aircraft is affected by various factors that are outside of Stellwagen's control, including:

- passenger and air cargo demand;
- fuel costs and general economic conditions;
- geopolitical events, including war, prolonged armed conflict and acts of terrorism;
- epidemics and natural disasters;
- governmental regulation;
- interest rates;
- the availability and cost of financing;
- airline restructurings and bankruptcies;

- manufacturer production levels and technological innovation;
- manufacturers merging, entering or exiting the industry;
- retirement and obsolescence of aircraft models;
- increases in production rates from manufacturers;
- reintroduction into service of aircraft previously in storage;
- cost and availability of alternative modes of transport; and
- airport and air traffic control infrastructure constraints.

Over recent years, the airline industry has committed to a significant number of aircraft deliveries through order placements with manufacturers, and in response, aircraft manufacturers have raised their production output. The increase in these production levels could result in an oversupply of relatively new aircraft if growth in airline traffic does not meet airline industry expectations.

The value of aircraft could decline, which could impact third parties for which Stellwagen manages aircraft and capital.

Aircraft values and the related financing needs have occasionally experienced sharp decreases due to a number of factors, including, but not limited to, decreases in passenger air travel and air cargo demand, increases in fuel costs, government regulation, acts of terrorism, economic downturn and changes in interest rates. In addition to factors linked to the aviation industry generally, many other factors may affect the value of aircraft, including:

- the particular maintenance, operating history and documentary records of the aircraft;
- the number of operators using a particular type of aircraft;
- the regulatory authority under which the aircraft is operated;
- whether the aircraft is subject to a lease;
- the age of the aircraft;
- the negotiability of clear title free from mechanics liens and encumbrances;
- any regulatory and legal requirements that must be satisfied before the aircraft can be purchased, sold or re-leased;
- a decrease in the credit-worthiness of lessees;
- the compatibility of aircraft configurations or specifications with other aircraft owned by operators of that type;
- the comparative value based on newly manufactured competitive aircraft; and
- the availability of spare parts.

Any decrease in the value of an aircraft that results from the above factors or other factors may have a material adverse effect on Stellwagen's financial results.

A return to historically high fuel prices or continued volatility in fuel prices could affect the profitability of the aviation industry and their related financing and service needs.

Historically, fuel prices have fluctuated widely depending primarily on international market conditions, geopolitical and environmental events and currency exchange rates. Factors such as natural disasters and new environmental or regulatory changes, including the regulation of greenhouse gas emissions and the introduction of carbon tax regimes in various jurisdictions can also, directly or indirectly, significantly affect fuel availability and prices. The cost of fuel represents a major expense to airlines that is not within their control and significant increases in fuel costs or hedges that inaccurately assess the direction of fuel costs can materially and adversely affect their operating results. Due to the competitive nature of the aviation industry, operators may be unable to pass on increases in fuel prices to their customers by increasing fares in a manner that fully offsets the increased fuel costs they may incur. In addition, they may not be able to manage this risk by appropriately hedging their exposure to fuel price fluctuations. The profitability and liquidity of those airlines that do hedge their fuel costs can also be adversely affected by swift movements in fuel prices, if such airlines are required as a result to post cash collateral under hedge agreements. Therefore, if for any reason fuel prices return to historically high levels or show significant volatility, Stellwagen's business could be materially impacted.

Dependence on aircraft and engine manufacturers.

The supply of large passenger jet aircraft is dominated by a small number of airframe manufacturers, including Boeing, Airbus, Bombardier and Embraer and a limited number of engine and new aircraft component manufacturers. Stellwagen's success therefore depends on these manufacturers' continued success in remaining financially stable, producing aircraft and related components that meet technical and regulatory requirements and airlines' demands and providing ongoing and reliable customer support, as well as the continuity of a robust supply chain (which, if disrupted, may affect Stellwagen's success). Disruptions in the capital markets may impair the ability of manufacturers to finance their operations or increase the costs of such financing, which could adversely affect their ability to meet airlines' demands or provide customer support and reduce the demand for financing and aircraft services. Further, competition between the manufacturers for market share is escalating and may result in deep discounting for certain aircraft types. Such discounting may have a negative impact on the aircraft financing market. Should the manufacturers fail to respond appropriately to changes in the market environment, fail to fulfill their contractual obligations or fail to produce aircraft or components that meet technical or regulatory requirements, Stellwagen may experience:

- a decrease in aircraft financing and arranging revenues;
- a decrease in aircraft services revenue; and/or
- an increase in costs related to increased diligence required on new aircraft or engine manufacturers.

A sovereign debt crisis or similar political event could result in higher borrowing costs and more limited availability of credit, as well as impact the overall airline industry and the financial health of Stellwagen's customers.

In recent years, significant concerns regarding the sovereign debt of numerous countries have developed and required some of these countries to seek emergency financing. Specifically, the debt crisis in certain European countries could cause the value of the Euro to deteriorate, thus reducing the purchasing power of Stellwagen's European customers. Many of the structural issues facing the Eurozone remain and problems could resurface that could have material adverse effects on the company's business, results of operations, financial condition and liquidity, particularly if they lead to sovereign debt default, significant bank failures or defaults, or the exit of one or more countries, including the United Kingdom, from the EMU or the European Union. Financial market conditions could materially worsen if, for example, consecutive Eurozone countries were to default on their sovereign debt, significant bank failures or defaults in these countries were to occur, or one or more of the members of the Eurozone were to exit the EMU. Further, the effects of the Eurozone debt crisis could be even more significant if they lead to a partial or complete breakup of the EMU or the European Union. The partial or full breakup of the EMU or the European Union would be unprecedented and its impact highly uncertain. The exit of one or more countries from the EMU or the dissolution of the EMU could lead to redenomination of certain obligations of aircraft lessors and other customers in exiting countries. Any such exit and redenomination would cause significant uncertainty with respect to outstanding obligations of counterparties and debtors in any exiting country, whether sovereign or otherwise, and lead to complex and lengthy disputes and litigation.

The downgrade of the credit rating of the United States in 2011 and the intensified concerns around the European debt crisis in 2010 contributed to instability in global credit markets. Concerns have also recently developed regarding the sovereign debt of Russia and certain Latin American countries, including Argentina and Venezuela. A sovereign debt crisis could further adversely impact the financial health of the global banking system, not only due to its exposure to the sovereign debt, but also by the imposition of stricter capital requirements, which could limit availability of credit. Further, a sovereign debt crisis could lower consumer confidence, which could impact global financial markets and economic conditions in the United States and throughout the world. As a result, any combination of lower consumer confidence, disrupted global capital markets or reduced economic conditions could have a material adverse effect on Stellwagen's financial results.

If the effects of terrorist attacks and geopolitical conditions adversely affect the financial condition of the airline industry, financing and aircraft services needs could be materially impacted.

Terrorist attacks, war or armed hostilities, or the fear of such events, have historically had a negative impact on the aviation industry and could result in:

- higher costs to the airlines due to the increased security measures;
- decreased passenger demand and revenue due to the inconvenience of additional security measures or concerns about the safety of flying;
- the imposition of a "no-fly zone" or other restrictions on commercial airline traffic in certain regions;
- uncertainty of the price and availability of jet fuel and the cost and practicability of obtaining fuel hedges;
- higher financing costs and difficulty in raising the desired amount of proceeds on favorable terms, if at all;
- significantly higher costs of aviation insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, or the unavailability of certain types of insurance;
- the inability of airlines to reduce their operating costs and conserve financial resources, taking into account the increased costs incurred as a consequence of such events;
- special charges recognized by some operators, such as those related to the impairment of aircraft and engines and other long-lived assets stemming from the grounding of aircraft as a result of terrorist attacks, economic conditions and airline reorganizations; and
- an airline's becoming insolvent and/or ceasing operations.

For example, as a result of the September 11, 2001 terrorist attacks in the United States and subsequent terrorist attacks abroad, notably in the Middle East, Southeast Asia and Europe, increased security restrictions were implemented on air travel, costs for aircraft insurance and security measures increased, passenger and cargo demand for air travel decreased and operators faced difficulties in acquiring war risk and other insurance at reasonable costs. Sanctions against Russia and, in the future, uncertainty regarding tensions between Ukraine and Russia and Turkey and Russia, the situation in Iraq, Syria, the Israeli/Palestinian conflict, tension over the nuclear program of North

Korea, political instability in the Middle East and North Africa, the dispute between Japan and China and the recent tensions in the South China Sea could lead to further instability in these regions.

Terrorist attacks, war or armed hostilities, or the fear of such events, in these or any other regions, could adversely affect the aviation industry and the financial condition and liquidity of Stellwagen's customers, as well as aircraft values. Such events are likely to result in a material adverse effect on the company's ability to generate earnings through aircraft financing and aircraft services activities.

The effects of epidemic diseases and natural disasters, such as extreme weather conditions, floods, earthquakes and volcano eruptions, may adversely affect Stellwagen's customers, resulting in adverse effects to its business.

The outbreak of epidemic diseases, such as previously experienced with Ebola, measles, Severe Acute Respiratory Syndrome (SARS), H1N1 (swine flu) and Zika virus, could materially and adversely affect passenger demand for air travel. Similarly the lack of air travel demand or the inability of airlines to operate to or from certain regions due to severe weather conditions and natural disasters, including floods, earthquakes and volcano eruptions, could impact the financial health of certain airlines, including Stellwagen's customers. These consequences could adversely affect the company's financial results.

Stellwagen's aircraft management customers may seek to take in-house some of the activities performed by Stellwagen in the future.

Stellwagen provides aircraft management services for airlines, lessors and others. These customers may seek in the future to take those activities in-house, resulting in an adverse effect on the results of that business.

Stellwagen's asset management business depends in large part on its ability to raise capital from third party investors. If Stellwagen is unable to raise capital from third party investors, it would be unable to collect management and performance fees on such investments, which would materially reduce its revenue and cash flow and adversely affect its financial condition.

Stellwagen's ability to raise capital from third party investors depends on a number of factors, including certain factors that are outside of its control. Certain factors, such as the health and performance of the commercial aviation industry or the asset allocation rules or regulations or investment policies to which such third party investors are subject, could inhibit or restrict the ability of third party investors to make investments in Stellwagen's investment vehicles or the asset classes in which the company's investment vehicles invest. A major economic or industry downturn could leave investors with disproportionately outsized remaining commitments to a number of investment vehicles, this could significantly limit their ability to make new commitments to third party managed investment vehicles such as those managed by Stellwagen. Stellwagen's ability to raise new investment vehicles could similarly be hampered if the general investor appetite for alternative investment vehicles declined. Alternative investments could fall into disfavor as a result of concerns about liquidity and short-term performance. Such concerns could be exhibited, in particular, by public pension funds, which have historically been among the largest investors in alternative assets. Many public pension funds are significantly underfunded and their funding problems have been and may in the future be, exacerbated by economic downturn. Concerns with liquidity could cause such public pension funds to re-evaluate the appropriateness of alternative investments. Although the amount of commitments investors are making to alternative investment vehicles has increased in recent years, there is no assurance that this will continue or that Stellwagen's ability to raise capital from investors will not be hampered.

In addition, certain institutional investors, including sovereign wealth funds and public pension funds, have demonstrated an increased preference for alternatives to the traditional investment vehicle structure, such as managed accounts, smaller funds and co-investment vehicles. Moreover, certain institutional investors are demonstrating a preference to in-source their own investment professionals and to make direct investments in alternative assets without the assistance of alternative investment advisers like Stellwagen. Such institutional investors may become Stellwagen's competitors and could cease to be its clients. If economic conditions were to deteriorate or if Stellwagen is unable to find new investors, it might raise less than its desired amount for a given investment vehicle. If Stellwagen is unable to successfully raise capital, it could materially reduce the company's revenue and cash flow and adversely affect its financial condition.

In addition, in connection with raising new investment vehicles or making further investments in existing investment vehicles, Stellwagen would need to negotiate terms for such investment vehicles and investments with potential investors. The outcome of such negotiations could result in Stellwagen's agreement to terms that are materially less favorable to it than its expectations or investment vehicles managed by its competitors. Such terms could restrict the company's ability to raise investment vehicles with investment objectives or strategies that compete with existing investment vehicles, add additional expenses and obligations for Stellwagen in managing the investment vehicle or increase its potential liabilities, all of which could ultimately reduce its revenues. In addition, certain institutional investors have publicly criticized certain fund fee and expense structures, including management fees and transaction and advisory fees. This could further impact Stellwagen's ability to raise third party capital.

Poor performance of Stellwagen's investment vehicles would cause a decline in the company's revenue, income and cash flow and could adversely affect its ability to raise capital for future investment vehicles.

In the event that any of Stellwagen's investment vehicles were to perform poorly, Stellwagen's revenue, income and cash flow would decline because the value of its assets under management would decrease, which would result in a reduction in management fees, and its investment returns would decrease, resulting in a reduction in the performance fees the company earns. Moreover, Stellwagen could experience losses of its own principal on its co-investments, as a result of poor investment performance by its investment vehicles.

Poor performance of Stellwagen's investment vehicles could make it more difficult for the company to raise new capital. Investors in carry funds might decline to invest in future investment vehicles that the company raises and investors in hedge funds or other investment vehicles might withdraw their investments as a result of poor performance of the investment vehicles in which they are invested. Stellwagen expects investors and potential investors in its funds to continually assess the company's investment vehicles' performance and its ability to raise capital for existing and future investment vehicles and avoiding excessive redemption levels will depend on the company's investment vehicles' continued satisfactory performance. Accordingly, poor fund performance may deter future investment in Stellwagen's investment vehicles and thereby decrease the capital invested in its investment vehicles and ultimately, its management fee revenue. Alternatively, in the face of poor investment vehicle performance, investors could demand lower fees or fee concessions for existing or future investment vehicles, which would likewise decrease Stellwagen's revenue. A significant number of fund sponsors have recently decreased the amount of fees they charged investors for managing existing or successor investment vehicles as a direct result of poor performance.

Stellwagen could be adversely affected by risks affecting Seraph.

Since Seraph was acquired by Stellwagen in October 2015, its focus has been to build its third-party servicing clients and revenue. Seraph's current revenue is primarily derived from two key investor clients, such that losing one of these clients could have a significant material and adverse effect on Seraph's financial results. A change in Ireland's tax rates could also pose a risk to Seraph's business, if it is a departure from the current tax environment which is attractive to international businesses entering and operating in the aircraft leasing space.

Stellwagen's international operations expose it to geopolitical, economic and legal risks associated with a global business.

Stellwagen conducts its business in many countries. There are risks inherent in conducting its business internationally, including:

- general political and economic instability in international markets;
- limitations in the repatriation of the company's assets;
- expropriation of the company's international assets; and
- different liability standards and legal systems that may be less developed and less predictable than those in advanced economies.

These factors may have a material and adverse effect on Stellwagen's financial results.

Stellwagen is indirectly subject to many of the economic and political risks associated with emerging markets.

Stellwagen derives substantial revenue from airlines in emerging market countries. Emerging market countries have less developed economies and are more vulnerable to economic and political problems and may experience significant fluctuations in gross domestic product, interest rates and currency exchange rates, as well as civil disturbances, government instability, nationalization and expropriation of private assets and the imposition of taxes or other charges by government authorities. The occurrence of any of these events in markets of Stellwagen's customers and the resulting economic instability that may arise as a result of these events could adversely affect the value of its ownership interest in aircraft subject to lease in such countries, or the ability of its customers that operate in these markets to meet their obligations. In addition, legal systems in emerging market countries may be less developed, which could make it more difficult for Stellwagen to enforce its legal rights in such countries. For these and other reasons, Stellwagen's financial results may be materially and adversely affected by economic and political developments in emerging market countries.

Stellwagen's activities in foreign jurisdictions could be substantially affected by factors beyond its control, any of which could have a material adverse effect on Stellwagen.

Stellwagen's operations in foreign jurisdictions may be adversely affected by changes in foreign government policies and legislation, including corporate law, or social instability, and other factors which are not within Stellwagen's control. In addition, in the event of a dispute arising in connection with Stellwagen's operations in a foreign jurisdiction where Stellwagen conducts its business, Stellwagen may be subject to the exclusive jurisdiction of foreign courts, or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada, or enforcing Canadian judgments in such other jurisdictions. Accordingly, Stellwagen's activities in foreign jurisdictions could be substantially affected by factors beyond its control, any of which could have a material adverse effect on Stellwagen.

Because Stellwagen's customers may be concentrated in certain geographical regions, Stellwagen has concentrated exposure to the political and economic risks associated with those regions.

Through Stellwagen's customers and the countries in which they operate, Stellwagen is exposed to the specific economic and political conditions and associated risks of those jurisdictions. These risks can include economic recessions, burdensome local regulations or, in extreme cases, increased risks of requisition of the company's aircraft. An adverse political or economic event in any region or country in which Stellwagen's customers are concentrated could expose the company to various legal or political risks associated with the affected jurisdictions, all of which could have a material and adverse effect on its financial results.

Stellwagen is subject to various risks and requirements associated with transacting business in many countries.

Stellwagen's international operations expose it to trade and economic sanctions, export controls and other restrictions imposed by the United States, the United Kingdom, or other governments or organizations. For example, the U.S. Departments of Justice, Commerce, State and Treasury and other U.S. federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export control laws, the Foreign Corrupt Practices Act, and other U.S. federal statutes and regulations, including those established by the Office of Foreign Asset Control. Under these laws and regulations, the United States government may require export licenses, may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries, and modifications to compliance programs, which may increase compliance costs and may subject Stellwagen to fines, penalties and other sanctions. A violation of any of these laws or regulations could materially and adversely impact its business, operating results, and financial condition.

Furthermore, Stellwagen personnel could engage in unauthorized conduct for which the company may be held responsible. Violations of such laws and regulations may result in severe criminal or civil sanctions and Stellwagen may be subject to other liabilities, which could materially and adversely affect its financial results.

Certain Stellwagen subsidiaries are incorporated or domiciled in foreign jurisdictions and may be adversely affected by changes in foreign government policies and legislation.

Certain Stellwagen subsidiaries are, and may be in the future, incorporated or domiciled in a foreign jurisdiction, including Bermuda and the Cayman Islands. Such subsidiaries have been incorporated or domiciled in these jurisdictions in order to align them with the jurisdictions where the company's operations and activities are performed, and where the business activities of Stellwagen's clients occur, which is generally a common practice in the aviation finance sector. Notwithstanding the foregoing, Stellwagen's operations in such foreign jurisdictions may be adversely affected by changes in foreign government policies and legislation, including corporate law, or social instability, and other factors which are not within Stellwagen's control. In addition, in the event of a dispute arising in connection with Stellwagen's operations in a foreign jurisdiction where Stellwagen conducts its business, Stellwagen may be subject to the exclusive jurisdiction of foreign courts, or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada, or enforcing Canadian judgments in such other jurisdictions. Accordingly, Stellwagen's activities in foreign jurisdictions could be substantially affected by factors beyond its control, any of which could have a material adverse effect on Stellwagen. Stellwagen believes that its management is sufficiently experienced to address these risks.

Stellwagen's ability to operate in some countries is restricted by foreign regulations and controls on investments.

Many countries restrict, or in the future might restrict, foreign investments in a manner adverse to Stellwagen. These restrictions and controls have limited and may in the future restrict or preclude, Stellwagen's investment in joint ventures or the acquisition of businesses in certain jurisdictions or may increase the cost to the company of entering into such transactions. Various governments, particularly in the Asia/Pacific region, require governmental approval before foreign persons may make investments in domestic businesses and also limit the extent of any such investments. Furthermore, various governments may reserve the right to approve the repatriation of capital by, or the payment of dividends to, foreign investors. Restrictive policies regarding foreign investments may increase Stellwagen's costs of pursuing growth opportunities in foreign jurisdictions, which could materially and adversely affect the company's financial results.

Stellwagen could be adversely affected by the actions and commercial soundness of other financial institutions.

Stellwagen's ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. Stellwagen routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual funds, private equity funds, and hedge funds, and other institutional clients. Defaults by, or even rumors or questions about, one or more financial institutions, or the financial services industry generally, could affect market liquidity and could lead to losses or defaults by Stellwagen or by other institutions. Many of these transactions could expose Stellwagen to credit risk in the event of default by its counterparty or client. In addition, the company's credit risk may be impacted if the collateral held by it cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the financial instrument exposure due to Stellwagen. There is no assurance that any such losses would not adversely affect, possibly materially, Stellwagen's business.

Across the group, Stellwagen makes asset-backed investments. The assets that Stellwagen is investing in may not provide sufficient collateral coverage to return principal or interest.

There is no assurance that Stellwagen will be able to obtain or properly perfect its lien, or that the value of the collateral will adequately protect Stellwagen from suffering a partial or complete loss if the loan or lease becomes non-performing. In such event, Stellwagen could suffer losses which could materially and adversely affect the company's financial results.

In order to facilitate aircraft financings, Stellwagen may lend or invest in an aircraft for a short period of time. Aircraft values may not be sufficient upon the sale of the aircraft held on Stellwagen's balance sheet, even for a short period of time, to fully pay back the investment and may in fact lead to a loss. Although it is the intention for Stellwagen to make limited investments directly in aircraft and only for short periods of time, market conditions may prevent Stellwagen from selling the aircraft and may hold an asset for longer than planned which could result in a material loss for Stellwagen.

Existing and future litigation against Stellwagen could materially and adversely affect its business, financial position, liquidity or results of operations.

Stellwagen may be a defendant in lawsuits relating to its business. Stellwagen cannot accurately predict the ultimate outcome of any litigation due to its inherent uncertainties. An unfavorable outcome could materially and adversely affect Stellwagen's business, financial position, liquidity or results of operations. In addition, regardless of the outcome of any litigation, the company may be required to devote substantial resources and executive time to the defense of such actions.

A cyber-attack could lead to a material disruption of Stellwagen's IT systems and the loss of business information, which may hinder Stellwagen's ability to conduct its business effectively and may result in lost revenues and additional costs.

Parts of Stellwagen's business depend on the secure operation of its computer systems to manage, process, store and transmit information associated with its business. Like other global companies, Stellwagen has, from time to time, experienced threats to its data and systems, including malware and computer virus attacks, internet network scans, systems failures and disruptions. A cyber-attack that bypasses Stellwagen's IT, or IT security systems, causing an IT security breach, could lead to a material disruption of the company's IT systems and adversely impact Stellwagen's daily operations and cause the loss of sensitive information, including its own proprietary information and that of its customers, suppliers and employees. Such losses could harm its reputation and result in competitive disadvantages, litigation, regulatory enforcement actions, lost revenues, customer dissatisfaction, additional costs and liability. While Stellwagen devotes resources to maintaining adequate levels of cyber-security, its resources and technical sophistication may not be adequate to prevent all types of cyber-attacks.

Stellwagen's operations are increasingly dependent on IT systems and the management of information.

Increasing digital interactions with customers and suppliers place ever greater emphasis on the need for secure and reliable IT systems and infrastructure and careful management of the information that is in Stellwagen's possession. Disruption of IT systems could inhibit Stellwagen's business operations in a number of ways, including disruption to cash flows, ultimately impacting the company's business, results from operations and financial condition. Stellwagen's information systems could be subject to unauthorized access or the mistaken disclosure of information which disrupts Stellwagen's business and/or leads to loss of assets.

Compliance with laws and regulations is an essential part of Stellwagen's business operations.

Stellwagen is subject to local, national and regional laws and regulations in such diverse areas as financial regulation, competition, employee health and safety, the environment, corporate governance, employment and taxes. Failure to comply with laws and regulations could expose Stellwagen to civil and/or criminal actions leading to damages, fines and criminal sanctions against employees with possible consequences for corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business. Stellwagen is also exposed to varying degrees of risk and uncertainty related to other factors including environmental, political, social and fiscal risks. All these risks could materially affect Stellwagen's business. There may be other risks which are unknown to Stellwagen or which are currently believed to be immaterial.

The loss of key personnel could adversely affect operations and financial results of Stellwagen.

Stellwagen's business benefits from the deep industry expertise of its management teams and especially from a group of key senior individuals. The loss of such key individuals or the other key personnel or the inability to identify, attract and retain qualified personnel could make it difficult to manage Stellwagen's business and execute on its growth strategy and as a result could adversely affect operations and financial results of the company.

Stellwagen may become subject to income or other taxes in jurisdictions which would adversely affect its financial results.

Stellwagen and its subsidiaries are subject to the income tax laws of several jurisdictions in which its subsidiaries are incorporated or based. The company's effective tax rate in any period is impacted by the source and the amount of earnings among its different tax jurisdictions. A change in the division of the company's earnings among its tax jurisdictions could have a material impact on its effective tax rate and financial results. In addition, Stellwagen or its subsidiaries may be subject to additional income or other taxes in these and other jurisdictions by reason of the management and control of the company's subsidiaries, its activities and operations, where its aircraft operate, where its assets are located or changes in tax laws, regulations or accounting principles. Although Stellwagen has adopted guidelines and operating procedures to ensure its subsidiaries are appropriately managed and controlled, the company may be subject to such taxes in the future and such taxes may be substantial. The imposition of such taxes could have a material adverse effect on Stellwagen's financial results.

Stellwagen may incur losses due to foreign currency exposure.

Stellwagen earns substantially all its income in US dollars as this is the main currency in which aircraft loans and leases are transacted. Stellwagen's expenses include substantial overhead items in other currencies, principally the Euro. Stellwagen makes investments in aircraft that are operated by counterparties that have substantial exposure to US dollar risk and may change the risk profile of an investment that Stellwagen makes and could result in losses. To the extent that the US dollar weakens against other currencies this will reduce Stellwagen's profitability, subject to any currency hedges. A weakening of the US dollar will also have the effect of reducing Stellwagen's income and net assets on translation into Canadian dollars.

Stellwagen may incur current tax liabilities in its primary operating jurisdictions in the future.

Stellwagen expects to make current tax payments in some of the jurisdictions where it does business in the normal course of its operations. Stellwagen's ability to defer the payment of some level of income taxes to future periods is dependent upon the continued benefit of accelerated tax depreciation on the company's flight equipment in some jurisdictions, the continued deductibility of external and intercompany financing arrangements and the application of tax losses prior to their expiration in certain tax jurisdictions, among other factors. The level of current tax payments that Stellwagen makes in any of its primary operating jurisdictions could adversely affect its cash flows and have a material adverse effect on the company's financial results.

Stellwagen may become subject to additional Irish taxes based on the extent of its operations carried on in Ireland.

Stellwagen's Irish tax resident group companies are currently subject to Irish corporate income tax on trading income at a rate of 12.5%, on capital gains at 33% and on other income at 25%. The continued application of the 12.5% tax rate to trading income generated in the company's Irish tax resident group companies and the ability to carry forward Irish tax losses to offset future taxable trading income depends in part on the extent and nature of activities carried on in Ireland both in the past and in the future. Stellwagen's Irish tax resident group companies intend to carry on their activities in Ireland so that the 12.5% rate of tax applicable to trading income will apply and that they will be entitled to offset future income with tax losses arising from the same trading activity.

Stellwagen may fail to qualify for benefits under one or more tax treaties.

Stellwagen does not expect that its subsidiaries located outside of the United States will have any material U.S. federal income tax liability by reason of activities that the company carries out in the United States. This conclusion will depend, in part, on continued qualification for the benefits of income tax treaties between the United States and other countries in which Stellwagen is subject to tax (particularly Ireland). That in turn may depend on, among others, the nature and level of activities carried on by Stellwagen and its subsidiaries in each jurisdiction, the identity of the owners of equity interests in subsidiaries that are not wholly owned and the identities of the direct and indirect owners of the company's indebtedness.

The nature of Stellwagen's activities may be such that its subsidiaries may not continue to qualify for the benefits under income tax treaties with the United States and that may not otherwise qualify for treaty benefits. Failure to so qualify could result in the imposition of U.S. federal taxes, which could have a material adverse effect on Stellwagen's financial results.

Changes in tax laws may result in additional taxes for Stellwagen or for its shareholders.

Tax laws in the jurisdictions in which Stellwagen resides, in which it conducts activities or operations, or where its assets are located may change in the future. These changes would include changes introduced or otherwise applicable in such jurisdictions as a result, direct or indirectly, of the Organisation for Economic Co-operation and Development initiative on Base Erosion and Profit Shifting. Such changes in tax law could result in additional taxes for Stellwagen or its shareholders.

AUDITORS, TRANSFER AGENT, WARRANT AGENT AND ESCROW AGENT

Our auditor, KPMG LLP, having an address at 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5, was first appointed effective June 19, 2015. KPMG LLP have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

TSX Trust Company, at its principal offices in Toronto, Ontario, is the transfer agent and registrar for our Class B Shares and is the Warrant Agent for our Warrants under the Warrant Agreement.

PROMOTER

Acasta Capital has been considered a promoter of Acasta within the meaning of applicable securities legislation within the past two financial years. As of the date of this AIF, Acasta Capital owns, directly or indirectly, 755,909 Class B Shares representing approximately 0.8% of the Class B Shares issued and outstanding. Acasta Capital also owns 47,975 Warrants representing approximately 0.20% of the total Warrants issued and outstanding.

Pursuant to an administrative services agreement, Acasta paid Acasta Capital a total of $25,000 (plus applicable taxes) per month for office space, utilities and administrative support. The administrative services agreement terminated upon Closing.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Acasta and its investee companies are, from time to time, involved in legal proceedings of a nature considered normal to our businesses. Acasta believes that none of the litigation in which we or our investee entities are currently involved, or have been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition or results of operations.

Regulatory Actions

We are not aware of any penalties or sanctions imposed by a court or securities regulatory authority or other regulatory body against us, nor have we entered into any settlement agreements before a court or with a securities regulatory authority.

MATERIAL CONTRACTS

The following are the only material contracts of the Corporation (other than certain agreements entered into in the ordinary course of business):

(a) the underwriting agreement dated July 22, 2015 among the Corporation, Acasta Capital and the IPO underwriters (the "**IPO Underwriting Agreement**");

(b) the asset purchase agreement dated November 10, 2016 by and among, among others, 2543648 Ontario Limited, Acasta, Acasta Capital, Apollo Health and Beauty Care Partnership, Apollo Beauty Corp., Apollo Health Corp., Apollo Health and Beauty Care Corporation and Apollo Laboratories Inc. relating to the acquisition of substantially all of the business assets of Apollo (the "**Apollo Purchase Agreement**");

(c) the share purchase agreement dated November 10, 2016 among Acasta, JemPak and the shareholders of all of the issued and outstanding shares in the capital of JemPak relating to the acquisition of 100% of the issued and outstanding shares of JemPak (the "**JemPak Purchase Agreement**");

(d) the share purchase agreement dated November 10, 2016, by and among, Acasta, Stellwagen Finance Company Limited ("**SFCL**") and Acasta Capital relating to the acquisition of a 100% interest in the operating entities of Stellwagen (the "**Stellwagen Purchase Agreement**");

(e) the Forfeiture Agreement;

(f) the Warrant Agreement; and

(g) the credit agreement entered into on Closing (the "**Credit Agreement**").

Copies of these agreements are available on SEDAR at www.sedar.com. Key provisions of those agreements which have not otherwise been described in this AIF are described below. Capitalized terms used in these summaries and not otherwise defined herein shall have the meanings ascribed thereto in the respective agreement.

IPO Underwriting Agreement

In connection with its IPO, the Corporation entered into the IPO Underwriting Agreement with the IPO underwriters and Acasta Capital pursuant to which, among other things, the Corporation agreed to sell and the IPO underwriters agreed to purchase 35,000,000 Class A Units (or 40,250,000 Class A Units including the IPO over-allotment option) at a price of $10.00 per Class A Units. See "General Development of the Business – Initial Public Offering".

The Apollo Purchase Agreement

Pursuant to the Apollo Purchase Agreement, a wholly owned subsidiary of Acasta acquired substantially all of the assets of Apollo. The purchase price payable for Apollo (the "**Apollo Purchase Price**") was equal to $390 million plus a tax gross up of approximately $268,000, plus a $2.66 million gross up relating to a lower adjusted cost base for the partnership and subject to certain adjustments as described below.

The Apollo Purchase Price was adjusted at Closing for existing third party bank indebtedness and will be further adjusted following Closing: (i) for an adjustment to the tax gross up by an amount equal to such difference multiplied by 9.2; and (ii) based on average net working capital in the 12 months following Closing. The Apollo Purchase Price was also subject to an adjustment in the event that actual 2016 EBITDA was less than $42.8 million by more than $1.0 million. Based on Apollo's 2016 EBITDA, this EBITDA level was met and no adjustment was required.

The Apollo Purchase Agreement contains representations and warranties and related indemnities from the Apollo Group on a joint and several basis. Richard Wachsberg and Charles Wachsberg have provided a guarantee of the representations and warranties and related indemnities regarding certain fundamental representations of the Apollo Group and the representation and warranty by the Apollo Group that the information relating to the Apollo business contained in the Qualifying Acquisition Prospectus that was provided by the Apollo Vendors and approved by them does not contain any misrepresentation and constitutes full, true and plain disclosure of all material facts related to Apollo and the Apollo Vendors, as required by securities laws.

Generally, these representations and warranties survive for a period of 18 months following Closing, except for certain fundamental representations and warranties which survive without limitation of time, the representation relating to the prospectus information, which survives until the expiration of the applicable limitations periods under the *Securities Act* (Ontario), litigation and environmental matters, which survive until 90 days following the expiration of the applicable limitations periods, and tax-related representations and warranties which survive until 90 days following the expiry of the applicable assessment period. The Apollo Holdback Shares will be released (but remain subject to lock-up provisions) in three equal instalments on each of six months, 12 months and 18 months following Closing, subject to any pending claims. The liability of the Apollo Vendors for breaches of representations or warranties will be limited to 50% of the Apollo Purchase Price until 18 months following Closing and then $100 million, except for a breach of a fundamental representation or warranty, for which claims are limited to 100% of the Apollo Purchase Price.

Subject to certain exceptions, the Class B Shares that comprise the Apollo Share Consideration are subject to lock-up as follows pursuant to the terms of a related lock-up agreement: (i) 35% until the earlier of (A) six months from Closing; and (B) the first date on which the Class B Shares trade above $12.00 per Class B Share on the TSX for 20 trading days in any 30-trading day period; and (ii) 65% until the earlier of (A) five years from Closing; and (B) the date on which the Class B Shares trade above $12.00 per share on the TSX for 20 trading days in any 30-trading day period. The lock-up restrictions on the Apollo Share Consideration will terminate upon the occurrence of certain events, including: (i) Charles Wachsberg or Richard Wachsberg being terminated as Co-Chief Executive Officer of Apollo other than for cause, their resignation or good reason (each as defined in their respective employment agreements); or (ii) Anthony Melman ceasing to be the Chief Executive Officer and director of Acasta or holding, directly or indirectly, less than 50% of the Class B Shares held at the time of entering into the Apollo Purchase Agreement.

The JemPak Purchase Agreement

Pursuant to the JemPak Purchase Agreement, Acasta acquired all of the issued and outstanding shares in the capital of JemPak. The purchase price for the outstanding shares of JemPak (the "**JemPak Purchase Price**") was $135 million (inclusive of any cash held at Closing) plus the amount of cash received by JemPak in connection with the exercise of outstanding options. The JemPak Purchase Price was satisfied by the delivery of half of such amount in cash and the balance by the issuance of Class B Shares at $10.00 per Class B Shares (the "**JemPak Share Consideration**").

The JemPak Purchase Agreement provides for usual and customary representations and warranties for transactions of this nature that are provided by (i) each JemPak Vendor, severally, as to the fundamental representations; and (ii) JemPak, as to the other representations and warranties.

Generally, these representations and warranties will survive for a period of 18 months following Closing, except for certain fundamental representations and warranties which will survive without limitation of time, the representation relating to the prospectus information, which will survive until the expiration of the applicable limitations period under the *Securities Act* (Ontario) and tax-related representations and warranties which will survive until 90 days following the expiry of the applicable assessment period. The JemPak Holdback Shares are being held in escrow to satisfy the indemnification obligations of the JemPak Vendors related to representations, warranties and covenants. The JemPak Holdback Shares are to be released, subject to any pending claims, 18 months following Closing and in accordance with the escrow agreement. The liability of the JemPak Vendors for breaches of representations or warranties will be limited to 50% of the JemPak Purchase Price, except for breaches of fundamental representations or warranties, for which claims are limited to 100% of the JemPak Purchase Price. Indemnity claims by Acasta for a breach of the JemPak representations and warranties (other than fundamental representations) must first seek recovery against a representation and warranty insurance policy to be obtained at Closing and Acasta or Acasta Indemnified Parties will not be entitled to any indemnification from the JemPak Vendors until the aggregate losses suffered by Acasta and so claimed under such insurance policy exceeds $16.2 million, and then only to the extent of the JemPak Holdback Shares then held in escrow. Upon release of the JemPak Holdback Shares from escrow, notwithstanding any survival periods in the JemPak Purchase Agreement (including those that are longer than 18 months), Acasta and/or the Acasta Indemnified Parties will not have any ability to make a claim against the JemPak Vendors for any losses relating to a breach or non-fulfilment by JemPak of any of its covenants or the failure of any representation or warranty (other than a fundamental representation or warranty) to be true and correct.

Pursuant to the JemPak Purchase Agreement, affiliates of certain of the JemPak Vendors agreed to acquire real property and certain of the JemPak subsidiaries that hold or held interests in real property. The consideration in respect of such acquisition was set-off against the consideration payable by Acasta by direction of such acquirors. In connection therewith, the acquirors of such property agreed to indemnify Acasta in respect of claims against JemPak with respect to compliance with environmental laws, which indemnities will survive for 10 years in respect of one property, and indefinitely in respect of another property. These indemnities are not subject to the same holdback or limitations as are the indemnities in respect of the business.

The JemPak Share Consideration is subject to transfer restrictions, as follows, pursuant to the terms of lock-up agreements with each JemPak Vendor: (i) 35% until the earlier of (A) six months from Closing, and (B) the first date on which the Class B Shares trade above $12.00 per share on the TSX for 20 trading days in any 30-trading day period; and (ii) 65% until the earlier of (a) five years from Closing and (b) the first date on which the Class B Shares trade above $12.00 per share on the TSX for 20 trading days in any 30-trading day period. The lock-up restrictions on the JemPak Share Consideration will terminate if the lock-up provisions on the Apollo Share Consideration terminate.

The Stellwagen Purchase Agreement

Pursuant to the Stellwagen Purchase Agreement, Acasta acquired all of the issued and outstanding equity interests of the entities comprising Stellwagen from SFCL (the "**Stellwagen Entities**"). The purchase price payable (the "**Stellwagen Purchase Price**") for the Stellwagen Entities was equal to US$235.7 million, plus the amount of cash reinvested in the Stellwagen entities prior to Closing, less the Minority Interests Consideration and is subject to adjustments related to working capital, net cash and certain specified dividends. The Stellwagen Purchase Price was satisfied by: (i) a cash amount equal to US$75.4 million plus the value of certain amounts of Reinvested Cash; and (ii) the balance by the issuance of Class B Shares at $10.00 per Class B Share (the "**Stellwagen Share Consideration**"). In addition, Acasta agreed to reimburse SFCL US$4.8 million relating to certain costs, including taxes, incurred and paid by or on behalf of employees of SFCL on account of receipt of Class B Shares in connection with the acquisition. SFCL is also entitled to receive an earn-out (the "**Stellwagen Earn-out**") equal to 8.5 times the three year average excess of actual adjusted net income over a targeted net income multiplied by 50%, for one of 2019, 2020 or 2021 (at SFCL's choosing). The Stellwagen Earn-Out can be settled in either cash or Class B Shares, with 90% of such settlement to be determined by Acasta and 10% to be determined by Stellwagen. The issuance of Class B Shares under the Stellwagen Earn-out will be subject to the approval of the TSX prior to any such issuance.

The Stellwagen Purchase Agreement contains usual and customary representations and warranties for transactions of this nature that are provided by SFCL.

Generally, the representations and warranties will survive for a period of 18 months following Closing, except for certain fundamental representations and warranties which will survive without limitation of time, the representation relating to the prospectus information, which will survive until the expiration of the applicable limitations period under the *Securities Act* (Ontario) and tax-related representations and warranties which will survive until 90 days following the expiry of the applicable assessment period. SFCL has covenanted (the "**Stellwagen Holdback Covenant**") to hold at least five million Class B Shares of the Stellwagen Share Consideration for a period of three years following Closing and 1.5 million Class B Shares for a further two years to secure its indemnification obligations under the Stellwagen Purchase Agreement. The liability of SFCL for breaches of representations or warranties will be limited to 50% of the Stellwagen Purchase Price, except for breaches of fundamental representations or warranties or the prospectus representations and warranties, for which claims are limited to 100% of the Stellwagen Purchase Price.

The Stellwagen Share Consideration is subject to transfer restrictions, as follows, pursuant to the terms of a lock-up agreement: (i) 25% until the earlier of (A) six months from Closing, and (B) the first date on which the Class B Shares trade above $12.00 per share on the TSX for 20 trading days in any 30-trading day period; and (ii) 75% until the earlier of (A) five years from Closing and (B) the date on which the Class B Shares trade above $13.00 per share on the TSX for 20 trading days in any 30-trading day period. The lock-up restrictions on the Stellwagen Share Consideration (other than with respect to the Class B Shares subject to the Stellwagen Holdback Covenant) will terminate at any time following the date that is 18 months following Closing if either: (i) the employment of Douglas Brennan as Chief Executive Officer of Stellwagen is terminated other than for cause or good reason; or (ii) there is a breakdown in the commercial relationship between Acasta and the Stellwagen business.

The Credit Agreement

Apollo and JemPak are borrowers under a credit agreement (as amended, the "**Credit Agreement**") dated as of January 3, 2017 with Canadian Imperial Bank of Commerce, as agent, and the lenders party thereto from time to time (the "**Lenders**"), as amended by a first amending agreement dated February 10, 2017, pursuant to which the lenders have made available to Apollo and JemPak (i) closing date term credit facilities in an aggregate principal amount of $50,000,000 (the "**Closing Date Term Facilities**"), (ii) a revolving credit facility in a maximum amount of $50,000,000 (the "**Revolving Credit Facility**"), and (iii) a delayed draw term credit facility in a maximum principal amount of $50,000,000 (the "**Delayed Draw Term Facility**" and together with the Closing Date Term Facilities and the Revolving Credit Facility, collectively, the "**Credit Facilities**"). The Closing Date Term Facilities and a portion of the Revolving Credit Facility were used to fund a portion of the Apollo Purchase Price and the JemPak Purchase Price on closing. Proceeds of the Revolving Credit Facility may be used for working capital and other general corporate purposes while proceeds of the Delayed Draw Term Facility may be used to finance certain permitted acquisitions and permitted distributions as set out in the Credit Agreement. The Credit Facilities mature on January 2, 2020.

The Credit Agreement contains customary positive, financial and reporting covenants, including, among others, a requirement that Apollo and JemPak maintain a prescribed total debt to EBITDA ratio and a prescribed fixed charge coverage ratio (as such terms are defined in the Credit Agreement). The Credit Agreement also contains customary negative covenants, including, among others, restrictions on the ability of Apollo and JemPak to incur additional indebtedness, grant liens, pay distributions, make acquisitions and make capital expenditures, in each case subject to specified exceptions. The Credit Agreement also restricts Acasta from incurring indebtedness in excess of $50,000,000, subject to exceptions for convertible debt and non-recourse guarantees of indebtedness of other subsidiaries.

The Credit Facilities are guaranteed by Acasta and cross-guaranteed by each of Apollo and JemPak, and are secured by a first ranking charge over all property of each of Apollo and JemPak as well as a pledge of all equity interests and indebtedness of each of Apollo and JemPak held by Acasta.

The Credit Agreement contains customary events of default, including an event of default upon certain circumstances constituting a change of control of Apollo or JemPak, as more specifically set out in the Credit Agreement. Failure to comply with the terms of the Credit Facilities would entitle the Agent and the Lenders to accelerate all amounts outstanding under the Credit Facilities, and upon such acceleration, the Agent and the Lenders would be entitled to enforce on the security granted by each of Apollo, JemPak and Acasta. The Lenders would then be repaid in full from the proceeds of all available assets prior to the repayment of claims of any unsecured creditors or equity holders.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional financial information is provided in our audited financial statements and Management's Discussion & Analysis for the period ended December 31, 2016.

APPENDIX A
CHARTER OF THE AUDIT COMMITTEE

1. Purpose

The audit committee (the "**Audit Committee**") is a committee of the board of directors (the "**Board**") of the Corporation. The primary function of the Audit Committee is to assist the directors of the Corporation in fulfilling their applicable roles by:

(a) recommending to the Board the appointment and compensation of the Corporation's external auditor;

(b) overseeing the work of the external auditor, including the resolution of disagreements between the external auditor and management;

(c) pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation by the Corporation's external auditor;

(d) satisfying themselves that adequate procedures are in place for the review of the Corporation's public disclosure of financial information, other than those described in (g) below, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;

(e) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(f) reviewing and approving any proposed hiring of current or former partner or employee of the current and former auditor of the Corporation; and

(g) reviewing and approving the annual and interim financial statements, related Management Discussion and Analysis ("**MD&A**") and other financial information provided by the Corporation to any governmental body or the public.

The Audit Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct internal or external audits, to determine that the financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations or the Corporation's internal policies, procedures and controls, as these are the responsibility of management, and in certain cases, the external auditor.

2. Limitations on Audit Committee's Duties

In contributing to the Audit Committee's discharge of its duties under this Charter, each member of the Audit Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended to be, or may be construed as, imposing on any members of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.

Members of the Audit Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditor, (iv) financial statements of the Corporation represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

3. <u>Composition and Meetings</u>

The Audit Committee should be comprised of not less than three directors as determined by the Board, all of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**52-110**") of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. A majority of the members of the Audit Committee must be resident Canadians. All members of the Audit Committee should have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices. At least one member of the Audit Committee should have accounting or related financial management expertise and be considered a financial expert. Each member should be "financially literate" within the meaning of 52-110. The Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Unless a Chair of the Audit Committee (the "**Chair**") is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

In addition, the Audit Committee members should meet all of the requirements for members of audit committees as defined from time to time under applicable legislation and the rules of any stock exchange on which the Corporation's securities are listed or traded.

The Audit Committee should meet at least four times annually, or more frequently as circumstances require. The Audit Committee should meet within 45 days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and should meet within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation, and others as they consider appropriate.

For greater certainty, management is indirectly accountable to the Audit Committee and is responsible for the timeliness and integrity of the financial reporting and information presented to the Board.

In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements.

A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine, provided that a majority thereof are resident Canadians.

Meetings of the Audit Committee shall be held from time to time and at such place as any member of the Audit Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Audit Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Secretary shall be entitled to request that any member of the Audit Committee call a meeting.

This Charter is subject in all respects to the Corporation's articles of incorporation and by-laws from time to time.

4. Role

As part of its function in assisting the Board in fulfilling its oversight role (and without limiting the generality of the Audit Committee's role), the Audit Committee should:

(1) Determine any desired agenda items;

(2) Review and recommend to the Board changes to this Charter, as considered appropriate from time to time;

(3) Review the public disclosure regarding the Audit Committee required by 52-110;

(4) Review and seek to ensure that disclosure controls and procedures and internal control over financial reporting frameworks are operational and functional;

(5) Summarize in the Corporation's annual information form the Audit Committee's composition and activities, as required; and

(6) Submit the minutes of all meetings of the Audit Committee to the Board upon request.

Documents / Reports Review

(7) Review and recommend to the Board for approval the Corporation's annual and interim financial statements, including any certification, report, opinion, undertaking or review rendered by the external auditor and the related MD&A, as well as such other financial information of the Corporation provided to the public or any governmental body as the Audit Committee or the Board require.

(8) Review other financial information provided to any governmental body or the public as they see fit.

(9) Review, recommend and approve any of the Corporation's press releases that contain financial information.

(10) Seek to satisfy itself and ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and related MD&A and periodically assess the adequacy of those procedures.

External Auditor

(11) Recommend to the Board the selection of the external auditor, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor.

(12) Review and seek to ensure that all financial information provided to the public or any governmental body, as required, provides for the fair presentation of the Corporation's financial condition, financial performance and cash flow.

(13) Instruct the external auditor that its ultimate client is not management and that it is required to report directly to the Audit Committee, and not management.

(14) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.

(15) Review and discuss, on an annual basis, with the external auditor all significant relationships it has with the Corporation to determine the external auditor's independence.

(16) Pre-approve all non-audit services (or delegate such pre-approval as the Audit Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.

(17) Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.

(18) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

(19) Communicate directly with the external auditor and arrange for the external auditor to be available to the Audit Committee and the full Board as needed.

(20) Review and approve any proposed hiring by the Corporation of current or former partners or employees of the current (and any former) external auditor of the Corporation.

Audit Process

(21) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Audit Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.

(22) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

(23) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.

(24) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Audit Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Financial Reporting Processes

(25) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.

(26) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

(27) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.

(28) Review with management and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto.

(29) Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

(30) If considered appropriate, establish separate systems of reporting to the Audit Committee by each of management and the external auditor.

(31) Periodically consider the need for an internal audit function, if not present.

Risk Management

(32) Review program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

General

(33) With prior Board approval, the Audit Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.

(34) Respond to requests by the Board with respect to the functions and activities that the Board requests the Audit Committee to perform.

(35) Periodically review this Charter and, if the Audit Committee deems appropriate, recommend to the Board changes to this Charter.

(36) Review the public disclosure regarding the Audit Committee required from time to time by applicable Canadian securities laws, including:

  (i) the Charter of the Audit Committee;

  (ii) the composition of the Audit Committee;

  (iii) the relevant education and experience of each member of the Audit Committee;

  (iv) the external auditor services and fees; and

  (v) such other matters as the Corporation is required to disclose concerning the Audit Committee.

(37) Review in advance, and approve, the hiring and appointment of the Corporation's senior financial executives by the Corporation, if any.

(38) Perform any other activities as the Audit Committee deems necessary or appropriate including ensuring all regulatory documents are compiled to meet Committee reporting obligations under 52-110.

5. Audit Committee Complaint Procedures

Submitting a Complaint

(39) Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chair should oversee treatment of such complaints.

Procedures

(40) The Chair will be responsible for the receipt and administration of employee complaints.

(41) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint confidentially.

Investigation

(42) The Chair should review and investigate the complaint. Corrective action will be taken when and as warranted in the Chair's discretion.

Confidentiality

(43) The identity of the complainant and the details of the investigation should be kept confidential throughout the investigatory process.

Records and Report

(44) The Chair should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Audit Committee.

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's securityholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Corporation or other liability whatsoever.

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