

## AMALGAMATION AGREEMENT

**THIS AMALGAMATION AGREEMENT** is made as of the 13th day of August, 2021,

### AMONG:

**EMCURE CANADA INC.**, a corporation incorporated under the laws of the Province of Ontario

(hereinafter called “**EMCURE**”)

- and -

**MARCAN PHARMACEUTICALS INC.**, a corporation amalgamated under the laws of the Province of Ontario

(hereinafter called “**MARCAN**”)

- and -

**ARSH HOLDINGS INC.**, a corporation incorporated under the laws of the Province of Ontario

(hereinafter called “**ARSH**”)

- and -

**Rs313 HOLDINGS LTD.**, a corporation incorporated under the laws of the Province of Ontario

(hereinafter called “**Rs313**”)

### RECITALS:

- A. Emcure, Marcan, ARSH and Rs313 have agreed to amalgamate pursuant to the *Business Corporations Act* (Ontario) effective August 13, 2021 (the “**Effective Date**”);
- B. The authorized capital of Emcure consists of an unlimited number of common shares, of which 100,000 common shares are issued and outstanding;
- C. The authorized capital of Marcan consists of an unlimited number of common shares and 48,000,000 Class A Preferred Shares, of which 24,380,001 common shares and 48,000,000 Class A Preferred Shares are issued and outstanding;
- D. The authorized capital of ARSH consists an unlimited number of Class A Common Shares, Class B Common Shares, Class C Common Shares, Class D Common Shares, Class A Special Shares, Class B Special Shares, Class C Special Shares, Class D Special Shares, Class E Special Shares, Class F Special Shares, Class G Special Shares and Class H Special Shares (and no more), of which 300 Class C Common Shares, 600 Class D Common

Shares, 100,000 Class A Special Shares, 1,000 Class D Special Shares, 86.35 Class E Special Shares, 5,500,000 Class F Special Shares, 1,400,000 Class G Special Shares and 129.9 Class H Special Shares are issued and outstanding;

- E. The authorized capital of Rs313 consists of an unlimited number of Class A Common Shares, an unlimited number of Class B Common Shares, an unlimited number of Class C Common Shares, an unlimited number of Class D Common Shares, an unlimited number of Class A Special Shares, an unlimited number of Class B Special Shares, an unlimited number of Class C Special Shares, an unlimited number of Class D Special Shares and an unlimited number of Class E Special Shares, of which 34.74 Class C Common Shares, 52 Class D Common Shares and 1,000 Class D Special Shares are issued and outstanding;
- F. Emcure, Marcan, ARSH and Rs313 each made disclosure to the other of their respective assets and liabilities; and
- G. It is desirable that this amalgamation should be effected;

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

**1. Interpretation**

In this Agreement, the following terms shall have the following meanings:

- 1.1 “**Act**” means the *Business Corporations Act* (Ontario);
- 1.2 “**Agreement**” means this amalgamation agreement;
- 1.3 “**Amalgamated Corporation**” means the corporation continuing from the amalgamation of the Amalgamating Corporations;
- 1.4 “**Amalgamating Corporations**” means Emcure, Marcan, ARSH and Rs313;
- 1.5 “**Amalgamation**” means the amalgamation of the Amalgamating Corporations as contemplated in this Agreement; and
- 1.6 “**FMV**” means fair market value.

Words and phrases used in this Agreement and defined in the Act shall have the same meaning in this Agreement as in the Act unless the context or subject matter otherwise requires.

**2. Agreement to Amalgamate**

The Amalgamating Corporations do hereby agree to amalgamate pursuant to the provisions of Section 174 of the Act as of the Effective Date and to continue as one corporation on the terms and conditions set out in this Agreement.

3. **Name**

The name of the Amalgamated Corporation shall be Marcan Pharmaceuticals Inc.

4. **Registered Office**

The registered office of the Amalgamated Corporation shall be in the City of Ottawa, at 2 Gurdwara Rd., Suite 112, Ottawa, Ontario K2E 1A2.

5. **Authorized Capital**

The Amalgamated Corporation shall be authorized to issue an unlimited number of common shares, the rights, privileges, restrictions and conditions attaching to which being set out below:

Not Applicable.

6. **Restrictions on Share Transfers**

No securities of the Amalgamated Corporation, other than non-convertible debt securities, may be transferred without the consent of:

6.1 the board of directors of the Amalgamated Corporation, such consent to be expressed by a resolution passed at a meeting of the board of directors or by an instrument in writing signed by all of the directors; or

6.2 the shareholders of the Amalgamated Corporation, such consent to be expressed by a resolution passed by a majority of the votes cast at a meeting of the shareholders or by an instrument in writing signed by all of the shareholders entitled to vote thereon,

except as may be otherwise agreed to in a shareholders' agreement governing the Amalgamated Corporation, if any.

7. **Other Provisions**

None.

8. **Number of Directors**

The board of directors of the Amalgamated Corporation shall, until otherwise changed in accordance with the Act, consist of a minimum number of 1 and a maximum number of 10 directors.

9. **Business**

There shall be no restrictions on the business the Amalgamated Corporation may carry on or the powers it may exercise.

**10. Initial Directors**

The first directors of the Amalgamated Corporation shall be the persons whose names and addresses for service appear below:

<u>Name</u>	<u>Address for Service</u>	<u>Resident Canadian</u>
Atul Aggarwal	8 Millcreek Court, Nepean, Ontario, Canada K2G 6Y7	Yes
Hitesh Jain	Alka CHS, Flat 13, 40 Marine Drive, Churchgate, Mumbai, India 400020	No
Tajuddin Shaikh	Flat No. 15, Parmar Garden Wanowrie, Pune Maharashta India 411010	No
Sudheer Paladugu	476 Creekview Way, Ottawa, Ontario, K1T 0J6	Yes

Such director shall hold office until the first annual meeting of shareholders of the Amalgamated Corporation or until his successor is elected or appointed.

**11. Amalgamation**

On the Effective Date, the Amalgamating Corporations shall be amalgamated pursuant to the provisions of Section 174 of the Act and shall continue as one corporation on the terms and conditions set out in this Agreement and in furtherance thereof:

11.1 the 100,000 issued and outstanding common shares in the capital of Emcure immediately before the Amalgamation shall remain outstanding and shall be changed into common shares of the Amalgamated Corporation on the basis that each common share of Emcure will become a number of common shares of the Amalgamated Corporation equal to  $24,480,001 \times$  (FMV of 1 common share of Emcure immediately before the Amalgamation divided by the aggregate of the FMV of all of the common shares of Emcure and all of the common shares of Marcan immediately before the Amalgamation);

11.2 the 24,380,001 issued and outstanding common shares in the capital of Marcan immediately before the Amalgamation shall remain outstanding and shall be changed into common shares of the Amalgamated Corporation on the basis that each common share of Marcan will become a number of common shares of the Amalgamated Corporation equal to  $24,480,001 \times$  (FMV of 1 common share of Marcan immediately before the Amalgamation divided by the aggregate of the FMV of all of the common shares of Emcure and all of the common shares of Marcan immediately before the Amalgamation); and

11.3 the 48,000,000 issued and outstanding Class A Preferred Shares in the capital of Marcan immediately before the Amalgamation shall be cancelled without any repayment of capital in respect thereof;

11.4 all of the issued and outstanding Class C Common Shares, Class D Common Shares, Class A Special Shares, Class D Special Shares, Class E Special Shares, Class F Special Shares, Class G Special Shares and Class H Special Shares in the capital of ARSH immediately before the Amalgamation shall be cancelled without any repayment of capital in respect thereof;

11.5 all of the issued and outstanding Class C Common Shares, Class D Common Shares and Class D Special Shares in the capital of Rs313 immediately before the Amalgamation shall be cancelled without any repayment of capital in respect thereof;

## **12. Stated Capital**

The amount of the aggregate stated capital of the 24,480,001 issued and outstanding common shares of the Amalgamated Corporation shall be an amount equal to the sum of the aggregate paid-up capital for purposes of the *Income Tax Act* (Canada) of the common shares of Marcan and the aggregate paid-up capital for purposes of the *Income Tax Act* (Canada) of the common shares of Emcure, in each case determined immediately before the Amalgamation.

## **13. By-Laws**

The by-laws of the Amalgamated Corporation, until repealed, amended or altered, shall be the by-laws attached hereto as Schedule "A".

## **14. Termination**

This Agreement may, prior to the issuance of a certificate of amalgamation, be terminated by the board of directors of Emcure, Marcan, ARSH and Rs313, notwithstanding the approval of the shareholders of Emcure, Marcan, ARSH and Rs313 of the terms and conditions hereof.

## **15. Filing of Documents**

Upon the shareholders of each of the Amalgamating Corporations approving this Agreement by special resolution in accordance with the Act, the Amalgamating Corporations shall jointly file with the Director under the Act articles of amalgamation and such other documents as may be required.

## **16. Governing Law**

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

**17. Entire Agreement**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter except as specifically set forth or referred to in this Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement, or any amendment or supplement thereto, by any party to this Agreement or its directors, officers, employees or agents, to any other party to this Agreement or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement, and none of the parties to this Agreement has been induced to enter into this Agreement or any amendment or supplement by reason of any such warranty, representation, opinion, advice or assertion of fact. Accordingly, there shall be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

*[Signature page follows]*

IN WITNESS WHEREOF the parties have executed this Agreement.

**EMCURE CANADA INC.**

By: K S Saini  
Name: Satish Kanniampuram  
Title: Director

**MARCAN PHARMACEUTICALS INC.**

By: P. S. Paladugu  
Name: Sudheer Paladugu  
Title: Director

**ARSH HOLDINGS INC.**

By: \_\_\_\_\_  
Name:  
Title:

**Rs313 HOLDINGS LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**IN WITNESS WHEREOF** the parties have executed this Agreement.

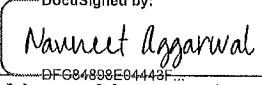
**EMCURE CANADA INC.**

By: \_\_\_\_\_  
Name: Satish Kannampuram  
Title: Director

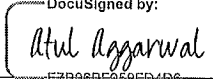
**MARCAN PHARMACEUTICALS INC.**

By: \_\_\_\_\_  
Name: Sudheer Paladugu  
Title: Director

**ARSH HOLDINGS INC.**

By:  \_\_\_\_\_  
Name: Navneet Aggarwal  
Title: President

**Rs313 HOLDINGS LTD.**

By:  \_\_\_\_\_  
Name: Atul Aggarwal  
Title: President & CEO