**CONFIDENTIALITY AGREEMENT**

[Date]

[Name of Recipient]
[Address of Recipient]

Dear Sirs & Mesdames:.

[Name of Recipient] (the “**Recipient**”) has expressed interest in a possible negotiated transaction with Griffon Partners Operation Corp. (the “**Disclosing Party**” and, together with the Recipient, the “**Parties**”) involving (i) a purchase of some or all of the assets of the Disclosing Party, Griffon Partners Holding Corp. or Griffon Partners Capital Management (collectively, the “**Griffon Entities**”); (ii) an investment in the Griffon Entities, including through the purchase or acquisition of the shares of some or all of the Griffon Entities; (iii) a refinancing of the Griffon Entities, Spicelo Limited, Stellion Limited, 2437799 Alberta Ltd., 2437801 Alberta Ltd. or 2437815 Alberta Ltd. (collectively, the “**Debtors**”) through the provision of take out or additional financing of the Debtors; or (iv) any combination of (i), (ii) or (iii) (the “**Proposed Transaction**”). In exploring the possibility of a Proposed Transaction, the Disclosing Party may furnish or cause to be furnished certain Information (as defined below). As a condition to the furnishing of such Information, the Parties agree as follows:

1. **Information.** The term “**Information**” means:
	1. any information relating, directly or indirectly, to the Disclosing Party or one or more of its affiliates or any of its or their respective businesses, operations, assets, liabilities, prospects, plans, customers, suppliers, landlords or lenders, in each case regardless of whether the Information was communicated orally, visually, in writing, by electronic transmission or otherwise during the term of this agreement, and whether or not marked as confidential;
	2. any summaries, notes, analyses, compilations, studies, forecasts, data or other documents, materials or records that contain or otherwise reflect or have been generated, wholly or partly, or derived from such information (“**Derivative Information**”); and
	3. any information about an identifiable individual or other information that is subject to any applicable law of any governmental authority in Canada relating to the collection, use, storage and/or disclosure of information about an identifiable individual, including the *Personal Information and Protection of Electronic Documents Act* (Canada) and similar Canadian provincial legislation (“**Personal Information**”).

Notwithstanding the foregoing, the term “Information” does not include any such information (other than Personal Information) that:

1. is or becomes generally available to and known by the public, other than as a result of disclosure by the Recipient or its Representatives (as defined below) in violation of this agreement;
2. the Recipient can show was in the Recipient’s lawful possession before it received such information from the Disclosing Party or any of its Representatives, or becomes available to the Recipient on a nonconfidential basis from a source other than the Disclosing Party or any of its Representatives, provided that, in each case, the source of such information was not prohibited from disclosing such information by a confidentiality agreement or other contractual, legal or fiduciary obligation of confidentiality with respect to such information; or
3. the Recipient can show was independently developed by the Recipient or its Representatives without use of or reference to any Information by personnel having no access to the Information at the time of such independent development;
4. **Non-Disclosure and Restricted Use.**
	1. The Recipient shall keep the Information strictly confidential and shall protect and safeguard the confidentiality of the Information using at least the same degree of care as the Recipient would use to protect its own confidential information, but in no event less than a commercially reasonable degree of care. Except as expressly provided in this agreement or with the Disclosing Party’s prior written consent, the Recipient shall not disclose or permit its Representatives to disclose any Information.
	2. The Recipient shall not, without the Disclosing Party’s prior written consent, use the Information for any purpose other than in connection with the evaluation of the Proposed Transaction (the “**Purpose**”). The Recipient shall not use the Information so as to obtain any commercial advantage over the Disclosing Party or in any way which is, directly or indirectly, detrimental to the Disclosing Party. The Recipient shall not alter, decompose, disassemble, reverse engineer or otherwise modify any Information that relates to the research and development, intellectual property, processes, new product developments, product designs, formulae, technical information, laboratory data, clinical data, patent information, know-how or trade secrets of the Disclosing Party or any of its affiliates.
5. **Access Limited to Representatives.** The Recipient may disclose the Information to its affiliates and its and their respective directors, officers, employees, general partners, agents and professional advisors (including lawyers, accountants and financial advisors), Permitted Co-Bidders (as defined below) and their employees and professional advisors and Qualified Debt Financing Sources (as defined below) and their employees and professional advisors (collectively, the Recipient’s “**Representatives**”) who need to know the Information for the Purpose, who are informed by the Recipient of the confidential nature of the Information, and who agree to act in accordance with the terms and conditions of this agreement, to the same extent as if they were parties. The Recipient shall provide the Disclosing Party with a list of such Representatives promptly upon request.

The Recipient shall take all necessaryprecautions or measures to prevent unauthorized use or disclosure of the Information by its Representatives and will be responsible for any breach of this agreement by any of its Representatives (it being understood that such responsibility is in addition to and will not limit any right or remedy the Disclosing Party may have against any such Representative with respect to such breach). The Recipient shall, upon becoming aware of any unauthorized use or disclosure of Information in breach of this agreement, promptly notify the Disclosing Party of the nature of the breach or disclosure.

For purposes of this agreement:

1. a “**Permitted Co-Bidder**” means any person that may invest in the Proposed Transaction with the Recipient, if such person (i) has entered into a confidentiality agreement with the Disclosing Party in respect of the Proposed Transaction, and (ii) that has been approved in advance in writing by the Disclosing Party; and
2. a “**Qualified Debt Financing Source**” means any financing institution that is a *bona fide* potential provider of debt (but not equity) financing in connection with the Proposed Transaction that has been approved in advance in writing by the Disclosing Party.
3. **No Joint Bidding**
	1. The Recipient hereby represents and warrants that the Recipient is not acting as a broker for or representative of any other person in connection with the Proposed Transaction, and is considering the Proposed Transaction only for its own account and Permitted Co-Bidders. Except with the prior written consent of the Disclosing Party, the Recipient shall not (i) act as a joint bidder or co-bidder with any other person with respect to the Proposed Transaction, and (ii) directly or indirectly enter into any discussions, negotiations, agreements, arrangements or understandings (whether written or oral) with any other person regarding the Proposed Transaction, or any other possible transactions with the Disclosing Party or any of its affiliates or that would reasonably be expected to affect such person’s actions or decisions with respect to a possible transaction involving the Disclosing Party or any of its affiliates, in each case other than the Disclosing Party and its Representatives, and the Recipient’s Representatives (to the extent permitted under this agreement) and Permitted Co-bidders.
	2. The Recipient hereby represents and warrants that neither it, nor any of its Representatives is party to any agreement, arrangement or understanding (whether written or oral) that would restrict the ability of any other person to provide equity and/or debt financing to any other person for the Proposed Transaction or any similar transaction, other than those with Permitted Co-Bidders, and the Recipient hereby agrees that neither it nor any of its affiliates or other Representatives will enter into any such agreement, arrangement or understanding that could directly or indirectly restrict the ability of any other person to provide any such financing.
	3. Notwithstanding anything in this agreement to the contrary, without the prior written consent of the Disclosing Party, the Recipient agrees that neither the Recipient nor any of its Representatives will make any public statement or disclose any Information to any actual or potential sources of debt financing, other than Qualified Debt Financing Sources,or to any actual or potential sources of equity or other financing, other than Permitted Co-Bidders.
4. **No Disclosure of Proposed Transaction.**
	1. The Recipient shall not, except as expressly provided in this agreement or with the Disclosing Party’s prior written consent, disclose to any person (i) the fact that Information has been or will be made available, (ii) the existence or terms of this agreement, (iii) the fact that investigations, discussions or negotiations may take place, are taking place or have taken place concerning a Proposed Transaction or that a Proposed Transaction has been or is being considered, or (iv) any of the terms, conditions, status or other facts with respect to any such Proposed Transaction. If at any time the Recipient or any of its Representatives is required to make any public statement with respect to any of the foregoing matters so as not to be in violation of applicable law, then, in addition to complying with Section 10, the Recipient shall (x) provide the Disclosing Party with the text of such public statement as far in advance of making such public statement as is practicable, and (y) consider in good faith the Disclosing Party’s suggestions concerning the nature and scope of the information to be contained therein.
5. **Communications.**
	1. The Recipient agrees that all communications by the Recipient or any of its Representatives relating to the Information or the Proposed Transaction will be made to Chad Ellison, Kevin Young, Marshall Heaney and Quinn Mosby at Alvarez & Marsal Canada Securities ULC.
	2. Without the Disclosing Party’s prior written consent and except as permitted under Section 6(a), the Recipient shall not initiate or cause to be initiated or maintain any communication with any director, officer, employee, known consultant general partner, agent or professional advisor of the Disclosing Party of any of its affiliates, or creditor, shareholder, joint interest owner, customer or supplier of the Disclosing Party or any of its affiliates concerning the Disclosing Party’s business, operations, prospects or finances, or the Information or the Proposed Transaction.
6. **Return of Information****.**
	1. If the Recipient determines not to pursue a Proposed Transaction, the Recipient shall promptly inform the Disclosing Party in writing of that determination. In that case, or at any other time in the sole discretion of the Disclosing Party and upon its written request, the Recipient shall and shall cause its Representatives to, at its and their own expense, promptly (and, in any event, within five days of such determination or request) return all copies of the Information, except for that portion of the Information which consists of (i) Derivative Information, which the Recipient and its Representatives shall destroy, and (ii) Information stored in electronic form, which the Recipient and its Representatives shall permanently erase.
	2. Notwithstanding Section 7(a):
		1. the Recipient may retain Information in electronic form that is retained, stored and deleted, as applicable, in back-up servers in accordance with the Recipient’s *bona fide* internal document retention policies and practices, so long as (A) such Information is not accessible other than to personnel whose function is primarily information technology in nature, (B) such personnel have access to such Information only as is reasonably necessary for the performance of their ordinary course duties, and (C) if any such Information becomes accessible to personnel whose function is not primarily information technology in nature, the Recipient shall promptly and permanently destroy such Information;
		2. the Recipient’s legal department and external legal counsel may each retain one copy of each document containing Information (other than Personal Information) for use only in disputes relating to this agreement; and
		3. the Recipient may retain such Information as is required to be retained to comply with applicable law or any order of a governmental authority;

provided that, in the case of (i), (ii) and (iii), the Recipient shall continue to treat any Information so retained in accordance with the terms of this agreement, and such obligation shall survive the termination of this agreement.

* 1. The Recipient shall deliver a certificate signed by an authorized officer of the Recipient who supervised the return or destruction of the Information certifying the Recipient’s compliance with this Section 7.
	2. Notwithstanding the return or destruction of the Information, the Recipient and its Representatives shall continue to be bound by the confidentiality and other obligations hereunder during the term of this agreement.
1. **Completeness and Accuracy of Information.** The Disclosing Party reserves the right, in its sole discretion, to determine what information and materials it will provide or withhold, as well as the times at which it will make such information available. Neither the Disclosing Party nor any of its Representatives makes any express or implied representation or warranty as to the accuracy or completeness of the Information, and agrees that neither the Disclosing Party nor its Representatives (a) shall have any liability, direct or indirect, to the Recipient or its Representatives relating to or resulting from the Information or the use thereof, errors therein or omissions therefrom and (b) is under any obligation to update, supplement or amend the Information as a result of subsequent events or developments or otherwise. The Recipient is not entitled to rely on the accuracy or completeness of the Information except in accordance with the terms and conditions of any definitive agreement that may be entered into by the Parties relating to the Proposed Transaction and subject to any limitations and restrictions as may be specified in such definitive agreement.
2. **Definitive Agreement.** No agreement providing for any Proposed Transaction currently exists and none shall be deemed to exist between the Parties unless and until a definitive written agreement for any such Proposed Transaction is hereafter negotiated, executed and delivered by the Parties. The Parties further agree that unless and until a definitive agreement between them with respect to a Proposed Transaction has been executed and delivered by them, neither Party shall be under any obligation of any kind whatsoever with respect to a Proposed Transaction, including any obligation to (a) commence or continue negotiations with respect to any Proposed Transaction, (b) enter into a definitive agreement with respect to a Proposed Transaction, or (c) consummate a Proposed Transaction.
3. **Required Disclosure.** If, on the advice of the Recipient’s counsel, the Recipient or any of its Representatives is required to disclose any Information by law or under any requirement of any governmental authority having jurisdiction over the Recipient or such Representative, the Recipient shall:
	1. promptly provide the Disclosing Party with written notice of such requirement to the extent the Recipient is legally permitted to do so,so that the Disclosing Party may seek, at the Disclosing Party’s sole cost and expense, a protective order or other appropriate remedy; and
	2. cooperate with and provide reasonable assistance to the Disclosing Party, at the Disclosing Party’s sole cost and expense, to obtain such protective order or other remedy.

If a protective order or other remedy is not obtained, the Recipient or Representative of the Recipient, as the case may be, shall furnish only that portion of the Information which the Recipient is advised, by counsel, is legally required to be disclosed and shall use commercially reasonable efforts to preserve the confidentiality of the Information so disclosed. Notwithstanding the foregoing, the Recipient and its Representatives shall be permitted to disclose Information without notice to a regulatory authority having jurisdiction over them in response to requests for information made in connection with routine supervisory examinations by such regulatory authority; provided that (i) such supervisory examinations are not directed at the Disclosing Party or the Proposed Transaction, and (ii) the Recipient or its Representatives, as applicable, inform such regulatory authority of the confidential nature of the Information disclosed to them and request that they keep such Information confidential in accordance with such regulatory authority’s policies and procedures.

Nothing contained in this agreement will preclude the Recipient or the Disclosing Party or their respective Representatives from complying with their disclosure obligations pursuant to section 237.3 or section 237.4 of the *Income Tax Act* (Canada).

1. **Non-Solicitation**– Without the prior written consent of the Disclosing Party, for a period of 12 months commencing on the date of this agreement, the Recipient shall not, and shall cause its controlled affiliates not to, directly or indirectly, solicit for employment (or cause or seek to cause to leave the employ of the Disclosing Party or any of its affiliates) any person who is employed or engaged as of the date of this agreement (either as an employee or consultant) or becomes employed or engaged during the term of this agreement by the Disclosing Party or any of its affiliates.

Nothing in this Section 11 shall prevent the Recipient or any of its affiliates from hiring any person:

* 1. who initiates unsolicited contact with the Recipient or such affiliate, as the case may be, regarding employment opportunities;
	2. that responds to a general solicitation for employment not directed at any or all employees or consultants of the Disclosing Party; or
	3. who ceased to be employed or engaged by the Disclosing Party or its affiliates at least 6 months prior to the earlier of the date of solicitation and the commencement of employment with the Recipient or such affiliate, as the case may be.
1. **Certain Definitions.** In this agreement:
	1. the term “**affiliate**” means, with respect to a person, any other person controlling, controlled by or under common control with such first person;
	2. the term “**business day**” means any day, other than a Saturday or Sunday or any other day on which the banking institutions in Calgary, Alberta are required or authorized by law to close;
	3. the term “**control**” means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management policies of a person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise (and the terms “**controlling**” and “**controlled by**” have corresponding meanings); and
	4. the term “**person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.
2. **Governing Law.** This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta.
3. **Submission to Jurisdiction.** The Recipient hereby irrevocably (a) submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any actions or proceedings (“**Proceedings**”) relating in any way to this agreement and the transactions contemplated hereby (and the Recipient agrees not to commence any Proceeding relating thereto except in such courts); and (b) waives any objection to the venue of any Proceeding relating to this agreement or the transactions contemplated hereby in the courts of competent jurisdiction in the Province of Ontario, including the objection that any such Proceeding has been brought in an inconvenient forum.
4. **Non-Waiver.** No failure or delay by the Disclosing Party in exercising any right, power or privilege under this agreement will operate as a waiver thereof, nor will any single or partial exercise preclude any other or further exercise of any right, power or privilege under this agreement.
5. **Notice****.** Any notice, consent or approval required or permitted to be given in connection with this agreement (“**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by e-mail:
	1. to the Recipient at:

⚫

Attention: ⚫
E-mail: ⚫

* 1. to the Disclosing Party at:

Griffon Partners Operation Corp.

140 4th Avenue SW,

Suite 900,

Calgary, AB

T2P 3N3

Attention: Daryl Stepanic
E-mail: ds@griffon-partners.com

With a copy to:

Alvarez & Marsal Canada Securities ULC

Bow Valley Square IV

Suite 1110, 250 – 6th Avenue SW

Calgary, AB T2P 3H7

Attention: Chad Ellison
E-mail: cellison@alvarezandmarsal.com

With a copy to:

Torys LLP

525 – 8th Avenue SW

46th Floor, Eighth Avenue Place East

Calgary, AB

T2P 1G1

Attention: Kyle Kashuba

E-mail: kkashuba@torys.com

Any Notice delivered or transmitted as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a business day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a business day then the Notice shall be deemed to have been given and received on the next business day. Either Party may, from time to time, change its respective addresses by giving Notice to the other Party in accordance with the provisions of this Section 16.

1. **Indemnity****.** The Recipient shall indemnify and hold harmless the Disclosing Party and its Representatives from any damages, losses, costs or liabilities (including reasonable legal fees and the cost of enforcing this indemnity arising out of or resulting from any breach of this agreement by the Recipient or any of its Representatives.
2. **Injunctive Relief.** The Recipient acknowledges that the disclosure of Information or other breach of this agreement would cause serious and irreparabledamage and harm to the Disclosing Party and that remedies at law (including monetary damages) wouldbe inadequate. The Disclosing Party shall therefore be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach without the requirement for securing or posting of any bond or other security by the Disclosing Party and without proof of actual damages, in addition to any other remedy to which the Disclosing Party would be entitled.
3. **Term.** This agreement shall terminate two years after the date hereof. Notwithstanding the foregoing, the confidentiality and non-use obligations in this agreement pertaining to Personal Information shall survive any termination or expiration of this agreement indefinitely.
4. **Assignment; Successors and Assigns.** Neither this agreement nor any of the rights or obligations under this agreement may be assigned by either Party without the prior written consent of the non-assigning Party. Any purported assignment without such consent shall be void and unenforceable. This agreement is for the sole benefit of the Parties hereto and their respective affiliates and each of their respective successors and permitted assigns and is binding upon the Parties and their respective affiliates, successors and permitted assigns.
5. **Amendment.** This agreement may be amended only by a written instrument executed by each of the Parties.
6. **Severability.** If any term or provision of this agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
7. **Entire Agreement.** This agreement constitutes the entire agreement between the Parties with respect to the subject matter of this agreement and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no understandings, representations, warranties, terms, conditions, undertakings or collateral or other agreements, express, implied or statutory, between the Parties with respect to the subject matter of this agreement other than as expressly set forth in this agreement.
8. **Counterparts.** This agreement may be executed and delivered by electronic means, and may be validly executed in any number of counterparts, all of which taken together shall constitute one and the same agreement and each of which shall constitute an original**.**

**[The next page is the signature page.]**

The Parties have executed this agreement as of the date first written above.

|  |  |  |
| --- | --- | --- |
|  |  | **[DISCLOSING PARTY]** |
| By: |  |
|  | Name:  |
|  | Title:  |
| By: |  |
|  | Name:  |
|  | Title:  |

|  |  |  |
| --- | --- | --- |
|  |  | **[RECIPIENT]** |
| By: |  |
|  | Name:  |
|  | Title:  |
| By: |  |
|  | Name:  |
|  | Title:  |