AMENDED AND RESTATED INVESTOR AGREEMENT

by and among

ORION CO-INVESTMENTS I LLC

and

INVESTISSEMENT QUÉBEC

and

DIAQUEM INC.

and

RESSOURCES QUÉBEC INC.

and

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

and

STORNOWAY DIAMOND CORPORATION

Dated as of July 8, 2014

THIS AMENDED AND RESTATED INVESTOR AGREEMENT is made as of July 8, 2014.

BETWEEN: **ORION CO-INVESTMENTS I LLC**, a limited liability company governed by the laws of Delaware, c/o Corporation Services Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of Newcastle, Delaware 19808;

("**Orion**")

AND: **INVESTISSEMENT QUÉBEC**, a legal person governed by an *Act respecting Investissement Québec* with a place of business at 600 de la Gauchetière West, Suite 1500, Montréal, Québec, H3B 4L8, Canada;

("**IQ**")

AND: **DIAQUEM INC.**, a corporation governed by the *Business Corporations Act* (Québec), with a place of business at 600 rue de la Gauchetière West, Suite 1500, Montréal, Québec, H3B 4L8, Canada;

("**Diaquem**")

AND **RESSOURCES QUÉBEC INC.**, a corporation governed by the *Business Corporations Act* (Quebec), as principal and as mandatary for the Government of Quebec, with a place of business at 600 rue de la Gauchetière West, Suite 1500, Montréal, Québec, H3B 4L8, Canada;

("RQ", and together with IQ and Diaquem, the "IQ Parties")

AND: **CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC**, a legal person governed by an *Act respecting the Caisse de dépôt et placement du Québec*, with a place of business at 1000 Place Jean-Paul-Riopelle, Montréal, Québec, H2Z 2B3, Canada;

("**CDPQ**" and together with Orion and the IQ Parties, the "**Investors**" and each an "**Investor**")

AND: **STORNOWAY DIAMOND CORPORATION**, a corporation governed by the *Canada Business Corporations Act*, with a place of business at 400-1111, Boul. St-Charles West, Longueuil, Quebec J4K 4G4, Canada

(the "**Corporation**")

RECITALS

WHEREAS on April 1, 2011, IQ, Diaquem and the Corporation entered into an Investor Agreement, as same was amended on October 2, 2013 (the "**Initial Investor Agreement**"), providing for certain mutual rights and obligations in respect of Diaquem's investment in the Corporation;

WHEREAS on April 9, 2014, the Corporation entered into a financing commitment letter (as amended from time to time, the "**Financing Commitment Letter**"), with Stornoway Diamonds (Canada) Inc., Orion Co-Investments I Limited, RQ, as principal and as mandatary for the Government of Québec and CDPQ, providing for, among other things, a series of financing transactions;

WHEREAS, in accordance with the terms of the Financing Commitment Letter, all of the issued and outstanding non-voting convertible shares in the capital of the Corporation, being the 22,543,918 non-voting convertible shares in the capital of the Corporation previously held by Diaquem, were converted into common shares in the capital of the Corporation on a one-for-one basis, effective on June 20, 2014, the whole in accordance with the rights, privileges, restrictions and conditions attaching thereto, following which the Corporation's articles of continuance were amended to cancel and repeal the non-voting convertible shares in the capital of the Corporation and the rights, privileges, restrictions and conditions attaching thereto,

WHEREAS, in accordance with the terms of the Financing Commitment Letter and in connection with the transactions contemplated thereunder, as significant shareholders of the Corporation, the Investors shall have certain rights under this Agreement, including, in the case of certain Investors, representation on the Board of Directors (as defined below);

AND WHEREAS the Corporation and the Investors party thereto desire to amend and restate the Initial Investor Agreement and the other Investors desire to be parties to such agreement, all on the terms set forth below;

THIS AGREEMENT WITNESSES THAT, in consideration of the foregoing, the representations, warranties, covenants and agreements set forth in this Agreement, and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree that the Initial Investor Agreement is hereby amended and restated in its entirety as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions

Unless the context otherwise requires, in this Agreement:

"**Action**" means any action, cause of action, demand, claim, charge, prosecution, complaint, investigation, suit, litigation, assessment, reassessment, grievance, arbitration, hearing or other proceeding, whether civil, criminal or administrative, at Law or in equity, by or before any Governmental Agency;

"**Affiliate**" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified Person and "**Affiliated**" will have a corresponding meaning. A Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Agreement**" means this Amended and Restated Investor Agreement, as the same may be amended or supplemented;

"**Alternative Sale**" shall have the meaning set forth in Section 4.17;

"**Asserted Liability**" shall have the meaning set forth in Section 9.8(a);

"**Assigned Qualification Rights**" shall have the meaning set forth in Section 11.2;

"**Board of Directors**" means the board of directors of the Corporation;

"**Bought Deal**" shall mean an underwritten offering on a bought deal basis pursuant to which an underwriter has committed to purchase securities of the Corporation in a "bought deal" letter prior to the filing of a preliminary prospectus;

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banks are required to be closed in Montréal, Quebec;

"**Canadian Securities Authorities**" means the securities regulatory authorities in the various provinces of Canada, and any of their successors;

"**Canadian Securities Laws**" means the securities legislation of each of the provinces of Canada, as amended from time to time, and the rules, regulations, blanket orders and orders having application to the Corporation and forms made or promulgated under such legislation and the policies and instruments of one or more of the Canadian Securities Authorities;

"**CDPQ**" means Caisse de dépôt et placement du Québec;

"**Claim Notice**" shall have the meaning set forth in Section 9.8(a);

"**Commencement of Commercial Production Date**" means the first date of the calendar month immediately following the calendar month in which the Corporation's Renard diamond project first processes ore at an average rate of 3,550.7 tonnes per day (such amount to be adjusted proportionately with any changes to the nameplate capacity of the processing plant at the Renard diamond project after the date hereof);

"**Confirmation**" shall have the meaning set forth in Section 9.2(d)(ii)(B);

"**Contract**" means any contract, agreement, commitment, franchise, indenture, lease, purchase order or license, including amendments thereto;

"**Control Distribution**" means a "control distribution" for purposes of National Instrument 45-102 *Resale of Securities*;

"**Convertible Securities**" means any debt or equity securities convertible into, or exchangeable or exercisable for, equity or voting shares in the capital of the subject person;

"**Corporation**" means Stornoway Diamond Corporation;

"**Corporation Indemnified Parties**" shall have the meaning set forth in Section 9.6;

"**Corporation's Notice**" shall have the meaning set forth in Section 3.1(c);

"**Cutback Securities**" shall have the meaning set forth in Section 3.1(h);

"**Current Financing Parameters**" shall have the meaning set forth in Section 3.1(c)(i);

"**Demand Qualification**" shall have the meaning set forth in Section 4.1;

"**Demand Qualification Notice**" shall have the meaning set forth in Section 4.2;

"**Diaquem**" means Diaquem Inc.;

"**Exercise Notice**" shall have the meaning set forth in Section 3.1(d);

"**Exercise Period**" shall have the meaning set forth in Section 3.1(c);

"**Financing Parameters"** shall have the meaning set forth in Section 3.1(a);

"**Governmental Agency**" means (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) any subdivision, agent, commission, board or authority of any of the foregoing, (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange, including the TSX;

"**Indemnified Party**" shall have the meaning set forth in Section 9.8(a);

"**Indemnifying Party**" shall have the meaning set forth in Section 9.8(a);

"Initial Investor Agreement" shall have the meaning set forth in the Recitals to this Agreement;

"**Investor Designees**" shall mean the IQ Designees and the Orion Designee, and each an "**Investor Designee**";

"**Investor Indemnified Parties**" shall have the meaning set forth in Section 9.5;

"**Investors**" means Orion, the IQ Parties and CDPQ, and each an "**Investor**";

"**IQ**" means Investissement Québec;

"**IQ Designees**" shall have the meaning set forth in Section 2.2;

"**IQ Parties**" means IQ together with Diaquem and RQ;

"**Laws**" means any law, code, act, regulation, by-law, decree and order (including any regulation and order thereunder), policy and guideline, or decision, ruling and judgment, of any Governmental Agency having jurisdiction and which is binding on the relevant Person or Persons referred to in the context where such word is used;

"**Losses**" shall have the meaning set forth in Section 9.1(a);

"**Material Adverse Effect**" means any change or event that, individually or in the aggregate, has had, or would reasonably be expected to have, a material adverse effect on the business or results of operations or condition (financial or otherwise) of the Corporation and its subsidiaries, taken as a whole, other than any change or event relating to or arising out of: (i) general economic conditions (including changes or events in the financial, banking, currency and capital markets) in Canada; (ii) conditions generally affecting the industries in which the Corporation or any of its subsidiaries operate, other than any such conditions that have a materially disproportionate adverse effect on the Corporation and its subsidiaries, taken as a whole; (iii) changes in Law or in Canadian generally accepted accounting principles applicable to the Corporation (which as of the date hereof is International Financial Reporting Standards); (iv) any actions taken, or failures to take action, or such other changes or events, in each case, to which the Investor has consented in writing;

"**Market Capitalization**" means the aggregate market price of all outstanding Shares from time to time, determined on the basis of the published market on which the Shares are principally traded;

"**New Securities**" shall have the meaning set forth in Section 3.1(a);

"**Notice Period**" shall have the meaning set forth in Section 9.8(a);

"Orion" means Orion Co-Investments I LLC;

"**Orion Designee**" shall have the meaning set forth in Section 2.3;

"**Percentage Ownership of CDPQ**" means, at any applicable time, the percentage of the issued and outstanding Shares beneficially owned, or over which control or direction is exercised, by CDPQ and its Affiliates on a fully-diluted basis, assuming the exercise, exchange or conversion of the outstanding Convertible Securities of the Corporation held by CDPQ and its Affiliates or any other outstanding securities held by CDPQ and its Affiliates that may from time to time be exercisable for, exchangeable or convertible into Shares;

"**Percentage Ownership of IQ**" means, at any applicable time, the percentage of the issued and outstanding Shares beneficially owned, or over which control or direction is exercised, by IQ and its Affiliates, including Diaquem and RQ, on a fully-diluted basis, assuming the exercise, exchange or conversion of the outstanding Convertible Securities of the Corporation held by IQ and its Affiliates, including Diaquem and RQ, or any other outstanding securities held by IQ and its Affiliates, including Diaquem and RQ, that may from time to time be exercisable for, exchangeable or convertible into Shares. In addition, and for greater certainty, any Shares held by RQ as mandatary for the Province of Québec shall in any event be included for purposes of determining the Percentage Ownership of IQ;

"**Percentage Ownership of Orion**" at any applicable time, the percentage of the issued and outstanding Shares beneficially owned, or over which control or direction is exercised, by Orion and its Affiliates on a fully-diluted basis, assuming the exercise, exchange or conversion of the outstanding Convertible Securities of the Corporation held by Orion and its Affiliates or any other outstanding securities held by Orion and its Affiliates that may from time to time be exercisable for, exchangeable or convertible into Shares;

"**Person"** or "**person**" means an association, a corporation, an individual, a partnership, a limited partnership, a limited liability company, an unlimited liability company, a trust or any other entity or organization, including a Governmental Agency;

"**Piggy-Back Qualification**" means the qualification of Qualifiable Securities by the Corporation pursuant to Section 4.2;

"**Pre-Emptive Right**" shall have the meaning set forth in Section 3.1(b);

"**Pre-Emptive Right Holder**" shall have the meaning set forth in Section 3.1(b);

"**Pre-Emptive Right Holder Entitlement**" shall have the meaning set forth in Section 3.1(b);

"**Prior Financing Parameters**" shall have the meaning set forth in Section 3.1(c)(i);

"**prospectus**" includes, for greater certainty, a short form prospectus and the documents incorporated (or deemed incorporated under Canadian Securities Laws) by reference therein and a supplemented shelf prospectus and the documents incorporated (or deemed incorporated under Canadian Securities Laws) by reference therein;

"**Qualifiable Securities**" means, at any time, (i) the Shares then held by an Investor and its Affiliates, and any Shares issuable upon exchange, conversion or exercise of Convertible Securities then held by such Investor and its Affiliates, (ii) any Shares or other securities issued or issuable pursuant to or with respect to the Shares or Convertible Securities held by an Investor and its Affiliates, upon any stock split, subdivision, redivision, reduction, consolidation, stock dividend, recapitalization or other change, and (iii) any securities issued in reclassification or replacement of or exchange for any of the securities referred to in clauses (i) or (ii) above;

"**Qualifying Jurisdictions**" means each of the provinces of Canada;

"**Receipt Date**" means the date on which a final receipt or an equivalent document is issued in respect of a prospectus by or on behalf of each of the relevant Canadian Securities Authorities;

"**Regulatory Cutback**" shall have the meaning set forth in Section 3.1(h);

"RQ" means Ressources Québec Inc.;

"**Shares**" means the common shares in the capital of the Corporation and any securities issued in reclassification or replacement of or exchange for the common shares;

"**Third Party Beneficiaries**" shall have the meaning set forth in Section 11.13;

"**Third Party Rights**" shall have the meaning set forth in Section 11.13;

"**TSX**" means the Toronto Stock Exchange;

"**Underwriter**" has the meaning ascribed thereto under Canadian Securities Laws, and "**underwriting**" has a corresponding meaning;

"**Underwriter's Cutback**" means the right of the underwriters to exclude Qualifiable Securities in an underwritten offering pursuant to Section 4.9; and

"**Violation**" shall have the meaning set forth in Section 9.1(a).

ARTICLE 2
GOVERNANCE

2.1 Board of Directors

The Board of Directors shall consist of eleven (11) directors immediately following the closing of the Transactions contemplated under the Financing Commitment Letter, including the IQ Designees and the Orion Designee.

2.2 IQ Designees to Board of Directors and Committees

The IQ Parties shall jointly be entitled to designate candidates for election or appointment to the Board of Directors (the "**IQ Designees**") as follows:

(a) if the Percentage Ownership of IQ is twenty percent (20%) or more, the IQ Parties shall be entitled to three (3) IQ Designees on the Board of Directors;

(b) if the Percentage Ownership of IQ is less than twenty percent (20%) but equal to or more than ten percent (10%), the IQ Parties shall be entitled to two (2) IQ Designees on the Board of Directors; and

(c) if the Percentage Ownership of IQ is less than ten percent (10%), the IQ Parties shall not be entitled to any IQ Designee, unless the Corporation is indebted to IQ or Affiliates of IQ, in which case the Investor shall be entitled to designate one (1) IQ Designee but only for such time as such indebtedness of the Corporation in favour of IQ or any Affiliates of IQ is at least the lesser of: (i) $40 million, and (iii) 10% of the Market Capitalization.

If so requested by the IQ Parties, subject to Section 2.4(b), due consideration and reasonable accommodation will be afforded to having IQ Designee inclusion as members of committee(s) of the Board of Directors.

2.3 Orion Designees to Board of Directors and Committees

If the Percentage Ownership of Orion is five percent (5%) or more, Orion shall be entitled to designate one (1) candidate for election or appointment to the Board of Directors (the "**Orion Designee**"). Notwithstanding any other provision hereof, the Orion Designee shall not be required to be a Canadian resident in order for the Corporation to meet any applicable residency requirements.

If so requested by Orion, subject to Section 2.4(b), due consideration and reasonable accommodation will be afforded to having the Orion Designee included as a member of committee(s) of the Board of Directors.

2.4 Qualifications of Investor Designees

Each Investor Designee shall be an individual who:

(a) is qualified to act as a director under the *Canada Business Corporations Act* and under Canadian Securities Laws and under the requirements of the TSX; and

(b) meets the reasonable competencies and expectations of directors established from time to time by the Corporate Governance and Nominating Committee of the Corporation (including, where an Investor Designee is to be considered for membership on a committee of the Board of Directors, any reasonable competencies and expectations so established for such committee).

2.5 Election or Appointment of Investor Designees

The Corporation shall solicit proxies from its shareholders to vote in favour of, and shall otherwise use its best efforts to achieve, the election and re-election from time to time of each of the Investor Designees to the position of director on the Board of Directors.

2.6 Vacancies

In the event of a vacancy among the IQ Designees resulting from the death, incapacity, resignation or removal (including by way of non-election) of such individual, such vacancy shall be filled by another IQ Designee as directed by the IQ Parties.

In the event of a vacancy in respect of the Orion Designee resulting from the death, incapacity, resignation or removal (including by way of non-election) of such individual, such vacancy shall be filled by another Orion Designee as directed by Orion.

2.7 Investors' Obligation to Support Election

Subject to compliance by the Corporation with its obligations in Section 2.5, the Investors shall, and shall cause their respective Affiliates to, as the case may be, from time to time vote all of the Shares they own in favour of the election of the nominees to the Board of Directors listed in each of the Corporation's proxy circulars. Notwithstanding the preceding, the Corporation expressly acknowledges and agrees that the Investors and their respective Affiliates shall (a) in respect of any proposed nominee for election to the Board of Directors after the date hereof, have the right to vote against, or withhold their vote in respect of, any such nominee that such Investor and its respective Affiliates determine, acting reasonably, is not an appropriate individual to be a director of the Corporation, and (b) in respect of any matter other than the election of directors to the Board of Directors, have the right to vote its securities of the Corporation in its sole and absolute discretion

ARTICLE 3
ACQUISITIONS AND TRANSFERS OF SHARES

3.1 Pre-emptive Right

(a) As used in this section:

"**Financing Parameters**" means

(i) a summary description of the nature of the proposed New Securities;

(ii) a reasonably narrow range for the number or amount of the New Securities to be offered; and

(iii) a reasonably narrow range for the price at which the New Securities are to be offered; and

"**New Securities**" means any Shares, other voting or equity shares, or Convertible Securities, but shall not include (i) securities of the Corporation issued or issuable to officers, directors or employees of, or consultants to, the Corporation pursuant to stock option, stock purchase plans or other share-based compensation arrangements or agreements approved by the Board of Directors and the TSX, (ii) Shares issuable upon the exercise of Convertible Securities outstanding as of the date hereof or pursuant to agreements or commitments existing as of the date hereof, and (iii) securities of the Corporation issued or issuable pursuant to the terms of, or in connection with, the financing transactions contemplated by the terms of the Financing Commitment Letter.

(b) Each of Orion, Diaquem and CDPQ (each, a "**Pre-Emptive Right Holder**") shall have a pre-emptive right (the "**Pre-Emptive Right**") to purchase their respective *pro rata* share of all New Securities that the Corporation may, from time to time, propose to sell and issue after the date of this Agreement. A Pre-Emptive Right Holder's *pro rata* share is equal to the ratio of (a) the number of Shares held by such Pre-Emptive Right Holder immediately prior to the issuance of such New Securities to (b) the total number of Shares then outstanding immediately prior to the issuance of the New Securities (the "**Pre-Emptive Right Holder Entitlement**").

(c) The Pre-Emptive Right in respect of an issuance of New Securities shall be exercisable by each Pre-Emptive Right Holder at any time until 5:00 p.m. (Montreal Time) on the last day of the Exercise Period (as defined below) following written notice by the Corporation (the "**Corporation's Notice**") to each of the Pre-Emptive Right Holders that it is proceeding with a proposed financing and the terms for such financing, which terms are consistent with the Financing Parameters, and requesting the Pre-Emptive Right Holders to advise as to whether (and, if so, the extent to which) they will exercise the Pre-Emptive Right. As used in this Section 3.1(c), "**Exercise Period**" means:

(i) ten (10) Business Days following delivery of the Corporation's Notice if (A) the Financing Parameters most recently delivered prior to the Corporation's Notice (the "**Current Financing Parameters**") are not materially different than the last Financing Parameters delivered prior to the Current Financing Parameters (the "**Prior Financing Parameters**"), and (B) the Current Financing Parameters were delivered within the 30 days preceding the Corporation's Notice and the Prior Financing Parameters were delivered within the 30 days preceding delivery of the Current Financing Parameters;

(ii) the later of (A) ten (10) Business Days following delivery of the Corporation's Notice and (B) 30 days following delivery of the Current Financing Parameters if the Current Financing Parameters are materially different than the Prior Financing Parameters or

the Prior Financing Parameters were delivered more than 30 days preceding the Current Financing Parameters; or

(iii) 30 days following delivery of the Corporation's Notice if Financing Parameters were not delivered within the 30 days preceding the Corporation's Notice.

(d) In order to exercise its Pre-Emptive Right, a Pre-Emptive Right Holder must provide a written notice (the "**Exercise Notice**") setting out the fixed amount and/or percentage of the offering of New Securities (and such other minimum, maximum or other parameters as to percentage or amount as such Pre-Emptive Right Holder may determine to include up to, unless otherwise agreed by the Corporation, a maximum of the Pre-Emptive Right Holder Entitlement) in respect of which such Pre-Emptive Right Holder is exercising its Pre-Emptive Right to purchase.

For greater certainty:

(i) if a Pre-Emptive Right Holder does not provide the Exercise Notice by the end of the Exercise Period, such Pre-Emptive Right Holder will be deemed to have waived the Pre-Emptive Right in respect of the subject offering provided that (i) the subject offering is completed within 60 days of the end of the Exercise Period and (ii) the terms of such offering are no more favourable to the purchasers than those set out in the Corporation's Notice;

(ii) if the Exercise Period extends beyond the closing of the subject offering, the Pre-Emptive Right shall be exercisable by each Pre-Emptive Right Holder until the end of the Exercise Period and the New Securities to be purchased upon exercise of the Pre-Emptive Right shall be completed on the 10th Business Day following the date of delivery of the Exercise Notice, unless a Pre-Emptive Right Holder delivered the Exercise Notice prior to the closing of the subject offering and elected to purchase at such closing; and

(iii) if the subject offering is to be closed in tranches, a Pre-Emptive Right Holder can elect to rateably purchase New Securities at the times of closing such tranches.

Notwithstanding the foregoing, the Corporation shall not be required to offer or sell such New Securities to a Pre-Emptive Right Holder if such sale would cause the Corporation to be in violation of applicable Canadian Securities Laws or U.S. federal or state securities laws by virtue of such offer or sale.

(e) The Pre-Emptive Right shall terminate on the Commencement of Commercial Production Date. Notwithstanding the foregoing, the parties hereby acknowledge and agree that if, on the Commencement of Commercial Production Date, (i) there remain any unissued Cutback Securities or (ii) a Corporation's Notice has been delivered and the financing contemplated therein has not been completed or the Corporation has entered into an agreement as contemplated in Section 3.1(f), the Pre-Emptive Right Holder(s) will continue to be entitled to purchase such Cutback Securities, and the provisions of Section 3.1(h) shall survive termination of the Pre-Emptive Right, until such time as the Cutback Securities shall have been issued to the Pre-Emptive Right Holder(s) in accordance with the terms of Section 3.1(h) or each Pre-Emptive Right Holder will have its Pre-Emptive Right in respect of the subject financing or transaction pursuant to Sections 3.1(c) or (f), as applicable, after which all rights contemplated by this section shall be fully and finally extinguished.

(f) In the event the Corporation issues Shares, other equity or voting shares or Convertible Securities for non-cash consideration or if the Corporation enters into a merger agreement or business combination agreement resulting in a combined company, the Pre-Emptive Right Holders shall be entitled to exercise their respective Pre-Emptive Right following such

transaction in order to permit such Pre-Emptive Right Holder to acquire shares or Convertible Securities of the Corporation or shares or Convertible Securities of the combined company so as to achieve the same percentage holdings of equity and voting shares that such Pre-Emptive Right Holder held in the Corporation prior to such transaction, at the sale price thereunder.

(g) If a financing consists of flow-through shares issued at, or at a premium to, the then prevailing Share price, the Pre-Emptive Right Holders shall be entitled to acquire such shares at a five percent (5%) discount to the then prevailing Share price (determined as of the most recent close of trading prior to the public announcement of the financing).

(h) If exercise of the Pre-Emptive Right by any Pre-Emptive Right Holder results in a requirement for the Corporation under TSX rules or applicable legislation to obtain shareholder approval (as the sole reason to obtain such shareholder approval, and not, for greater certainty, if shareholder approval is required by reason of the size of the proposed financing or for any other reason), each such Pre-Emptive Right Holder shall accept such lesser amount of Shares or Convertible Securities, as applicable, as will not trigger such requirement (the "**Regulatory Cutback**"), such Regulatory Cutback to be applied on a pro rata basis to the Pre-Emptive Holders exercising Pre-Emptive Rights in respect of such proposed financing. In the event a Regulatory Cutback applies, the Corporation hereby covenants in favour of the Pre-Emptive Right Holders to use all lawful and commercially reasonable efforts to obtain, at the next meeting of shareholders of the Corporation following completion of the transaction to which a Regulatory Cutback applies, the approval of the shareholders of the Corporation in respect of (i) the issuance of the Shares or Convertible Securities subject to the Regulatory Cutback so as to allow the Pre-Emptive Right Holders to achieve the same percentage holdings of equity and voting shares that the Pre-Emptive Right Holders would otherwise have been initially entitled to, absent the Regulatory Cutback, and (ii) the issuance of any Shares or Convertible Securities to which the Pre-Emptive Right Holders would have been entitled pursuant to a proposed issuance of New Securities by the Corporation after a Regulatory Cutback has been triggered, provided that an Exercise Notice which complies with the terms of this Article 3 has been delivered by any Pre-Emptive Right Holder exercising its Pre-Emptive Rights in respect of such proposed issuance (the "**Cutback Securities**").

The Corporation further covenants and agrees that if the applicable TSX rules or legislation which resulted in a Regulatory Cutback being required is thereafter amended or removed, or for whatever other reason there is no longer any requirement for such Regulatory Cutback, the Corporation shall issue to the applicable Pre-Emptive Right Holder(s) the Cutback Securities.

Nothing in this section or otherwise shall require a Pre-Emptive Right Holder to purchase Cutback Securities.

3.2 Covenant of the Corporation to Maintain Reporting Issuer Status

The Corporation shall maintain its status as a reporting issuer in good standing and not in default of any requirement under the Canadian Securities Laws in each Qualifying Jurisdiction.

ARTICLE 4
QUALIFICATION RIGHTS

4.1 Demand Qualification

Subject to the limits set out in Sections 4.2 and 4.4, if the Corporation receives a written request from an Investor that the Corporation file a prospectus under Canadian Securities Laws qualifying for distribution all or any portion of such Investor's Qualifiable Securities, the Corporation will, subject to an Underwriter's Cutback and provided that the proposed sale of such Qualifiable Securities would be a Control Distribution (a "**Demand Qualification**"), as soon as practicable and in any event within sixty (60) days following the date of receipt of the

written request referred above, prepare and file in the Qualifying Jurisdictions a prospectus in order to qualify the distribution of all of the Qualifiable Securities of such Investor(s) specified in their respective requests and use its reasonable best efforts to receive a final receipt or equivalent document in respect of such prospectus. The Investors will not initiate a request for a Demand Qualification within ninety (90) days of the Receipt Date in respect of a prospectus qualifying an offering of Shares by the Corporation, provided that the Investors were provided with the opportunity to participate in a Piggy-Back Qualification in accordance with this Agreement in connection with such offering without a material Underwriter's Cutback.

4.2 Notices to Other Investors

Promptly upon receipt of any written request from an Investor for a Demand Qualification pursuant to Section 4.1 (but in no event more than five (5) Business Days thereafter) which will or is expected to involve a road show, other than in connection with a Bought Deal, the Corporation will provide written notice of such Demand Qualification (the "**Demand Qualification Notice**") to each of the other Investors, which Demand Qualification Notice shall specify the intended method and timing of sale of the Qualifiable Securities requested to be sold under the requested Demand Qualification. Subject to Sections 4.9 and 4.10, the Corporation will include for qualification in the applicable prospectus all Qualifiable Securities in respect of which the Corporation has received written requests for inclusion therein from the other Investors, provided such written requests for inclusion have been received by the Corporation not later than ten (10) days after the Demand Qualification Notice has been given to the other Investors. The Corporation may, subject to Sections 4.9 and 4.10, also include Shares in such qualification. In the event that a written request from an Investor for a Demand Qualification pursuant to Section 4.1 is made in connection with a Bought Deal, or another public offering which is not expected to include a road show, the notice periods set forth in this Section 4.2 shall not be applicable and the Investor requesting the Demand Qualification shall give the other Investors such notice as is practicable under the circumstances given the speed and urgency with which Bought Deals (or such other public offerings) are currently carried out in common market practice of their rights to participate thereunder and such other Investors shall have only such time as is practicable under the circumstances to notify the Investor requesting the Demand Qualification that they will participate in the Bought Deal or such other public offering (in which case the number of Shares to be sold by the Investor requesting the Demand Qualification shall be rateably reduced), failing which, the Investor requesting the Demand Qualification shall be free to pursue the Bought Deal or such other public offering without the participation of the other Investors.

4.3 Piggy-Back Qualification

If the Corporation proposes to file a preliminary prospectus under any Canadian Securities Laws in connection with the sale of any Shares or other equity securities (or Convertible Securities) in connection with the public offering of such securities (including the public sale of securities held by shareholders other than the Investors), the Corporation will, at all such times, give the Investors at least ten (10) Business Days' written notice of such filing. Upon the written request of an Investor, given within five (5) Business Days after receipt of such notice by such Investor, the Corporation will, subject to an Underwriter's Cutback, use its reasonable best efforts to cause all of the Qualifiable Securities that such Investor has requested to be included in the filing to be included in and sold pursuant to the prospectus or supplement (*provided* however, that if such proposed qualification is to be effected as a Bought Deal, or another public offering which is not expected to include a road show, the notice periods set forth in this Section 4.3 shall not be applicable and the Corporation shall give the Investors such notice as is practicable under the circumstances given the speed and urgency with which Bought Deals (or such other public offerings) are currently carried out in common market practice of their rights to participate thereunder and the Investors shall have only such time as is practicable under the circumstances to notify the Corporation that they will participate in the Bought Deal or other public offering, failing which, the Corporation shall be free to pursue the Bought Deal or such other public offering without the participation of the Investors).

The Corporation shall not be obligated to effect any qualification of Qualifiable Securities under this Section 4.3 incidental to the qualification of any of its securities in connection with:

(a) any public offering in respect of employee benefit plans or dividend reinvestment plans; or

(b) any public offering in respect of the acquisition or merger after the date hereof by the Corporation or any of its subsidiaries of or with any other businesses.

4.4 Exceptions to Qualification Rights

The Corporation shall not be required to effect a Demand Qualification unless the Qualifiable Securities requested by the applicable Investor to be registered or qualified constitute the lesser of (a) at least 20% of the number of Qualifiable Securities held by such Investor on the date of this Agreement and (b) an aggregate amount of at least $25,000,000, on the basis of the prevailing stock price per share on the date of such request for a Demand Qualification. In addition, the Corporation shall not be required to effect a Demand Qualification if two (2) or more Demand Qualifications have been completed within the preceding 12-month period, provided that this limitation shall not apply in respect of (i) an Investor that was unable to participate in a Demand Qualification in the preceding 12-month period pursuant to Section 4.2 due to the circumstances of such public offering (Bought Deal or a public offering which did not include a road show), or (ii) an Investor subject to a material Underwriter's Cutback in the preceding 12-month period pursuant to a Demand Qualification or Piggy-Back Qualification in which one or more Investors participated.

The Corporation:

(a) may defer a Demand Qualification for a period of not more than 90 days, but only if the Corporation furnishes to the Investor(s) requesting the qualification a certificate signed by the Chief Executive Officer of the Corporation stating that, in the good faith judgment of the Board of Directors, effecting the qualification would materially impede the ability of the Corporation to consummate a significant transaction, including a material financing, acquisition, corporate reorganization or merger or other material transaction involving the Corporation (the 90-day deferral period shall begin on the date that such certificate is sent to the Investor(s) having requested the Demand Qualification);

(b) may defer a Demand Qualification if the Board of Directors determines in good faith that such qualification would require the disclosure of material information that the Corporation has a *bona fide* business purpose for preserving as confidential, until the earlier of:

(i) 30 days following the date upon which such material information is disclosed to the public or ceases to be material; and

(ii) 90 days after the date of the request of the Investor(s) requesting the Demand Qualification; and

(c) may defer a Demand Qualification until the end of any period during which trading in securities is otherwise restricted and for a reasonable period of time thereafter.

4.5 Expenses

(a) Subject to Section 4.5(b), the Corporation will bear all expenses relating to the qualification of Qualifiable Securities pursuant to the terms of this Agreement, including the costs of legal and accounting advisors retained by the Corporation, and all registration, filing, printing, accounting and translation fees, incurred in connection with all Demand Qualifications and Piggy-Back Qualifications but excluding any underwriting discounts or commissions (which shall be assumed and paid by the party receiving proceeds from the distribution of any Qualifiable Securities under a Demand Qualification, or which shall be proportionately assumed and paid by the parties receiving proceeds from the distribution of any Qualifiable Securities under a Piggy-Back Qualification).

(b) The Corporation is not required to pay for any expenses pursuant to Section 4.5(a) of any Demand Qualification if the qualification request is subsequently withdrawn at any time at the request of the Investor(s) having requested the Demand Qualification unless:

(i) the Investor(s) having requested the Demand Qualification agree to forfeit their right to any further Demand Qualification;

(ii) at the time of any such withdrawal, the Investor(s) having requested the Demand Qualification have learned of a material adverse change in the condition, business or prospects of the Corporation (other than a change in market demand for the Shares or in the market price of the Shares) from that known to such Investor(s) at the time of their request, that makes the proposed offering inadvisable in the good faith judgment of the Investor(s) having requested the Demand Qualification (in which case the withdrawn qualification is deemed not to be a Demand Qualification for purposes of Section 4.1); or

(iii) the qualification request is withdrawn at the request of the Investor(s) having requested the Demand Qualification in response to an Underwriter's Cutback.

4.6 Underwriting in Demand Qualification

If the Investor(s) requesting a Demand Qualification intend to distribute the Qualifiable Securities covered by their request for a Demand Qualification by means of an underwriting they will so advise the Corporation as part of their request for such qualification. Such Investor(s) will (together with the Corporation as required under this Agreement) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by such Investor(s) in consultation with the Corporation, it being acknowledged that the underwriter or underwriters so selected and approved must be of nationally recognized standing in Canada. The Corporation will also take all such other actions as the applicable Investor(s) or the underwriters reasonably request in order to expedite or facilitate the disposition of Qualifiable Securities (including the participation of senior management in so-called "road shows" and similar events).

4.7 Underwriting in Piggy-Back Qualification

In addition, in connection with any offering pursuant to a Piggy-Back Qualification involving an underwriting of Shares being issued by the Corporation, the Corporation will include in such underwriting any Qualifiable Securities that an Investor wishes to include, but only if such Investor accepts the terms of the underwriting agreed to by the Corporation which are customarily required of sellers under a secondary offering. To the extent an Investor participates in such underwritten Piggy-Back Qualification offering, such Investor shall be party to the underwriting agreement relating to such registration and may, at such Investor's option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Corporation to and for the benefit of the underwriters of such qualification shall also be made to and for the benefit of such Investor and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such Investor.

4.8 Limitations on Representations and Warranties and on Liability

Unless otherwise agreed, an Investor shall not be required, in connection with any underwriting agreement entered into pursuant to Section 4.6 or Section 4.7, to make any representations or warranties or provide indemnification except as they relate to such Investor's ownership of Shares and authority to enter into the underwriting agreement and to such Investor's intended method of distribution. The liability of an Investor in connection with such underwriting agreement shall be limited to an amount equal to the net proceeds received by such Investor from the offering.

4.9 Underwriter's Cutback

If the underwriter for the offering in connection with:

(a) a Demand Qualification advises the applicable Investor(s) in writing that marketing factors require a limitation of the number of Shares to be underwritten, then such Investor(s) will so advise the Corporation, and the Corporation shall be required to include in the qualification only the number of Shares that the underwriter believes marketing factors allow; or

(b) a Piggy-Back Qualification advises the Corporation in writing that marketing factors require a limitation of the number of Shares to be underwritten, the Corporation shall be required to include in the qualification only the number of Shares that the underwriter believes marketing factors allow to sell without unduly impacting the Corporation's offering.

4.10 Allocation of Cutback

(a) If the number of Shares to be included in a Demand Qualification is subject to an Underwriter's Cutback, the Shares that would otherwise be included will be reduced in the following order:

(i) first, all Shares held by shareholders other than the applicable Investor(s) and all Shares to be issued by the Corporation will be excluded from the offering to the extent necessary; and

(ii) second, if further limitation is required, the Qualifiable Securities held by the applicable Investor(s) will be excluded to the extent necessary, allocated among such Investor(s) *pro rata* based upon the relative number of Shares that each of them has included in the Demand Qualification.

(b) If the number of Shares to be included in a Piggy-Back Qualification is subject to an Underwriter's Cutback, the Shares that would otherwise be included will be reduced in the following order:

(i) first, all Shares other than those to be issued by the Corporation and the Qualifiable Securities held by the applicable Investor(s) will be excluded to the extent necessary; and

(ii) second, if further limitation is required, the Qualifiable Securities held by the applicable Investor(s) will be excluded to the extent necessary, allocated among such Investor(s) *pro rata* based upon the relative number of Shares that each of them has included in the Demand Qualification.

4.11 Holdback Agreements

(a) In connection with a Demand Qualification by an Investor, such Investor agrees, if so requested by the managing underwriter in a written notice pursuant to this Section 4.11(a), not to effect (except as part of such underwritten offering in accordance with the provisions of this Agreement or pursuant to an exempt transaction so long as any purchaser in such exempt transaction agrees in writing to be bound by any such holdback) any sale, distribution, short sale, loan, grant of options for the purchase of, or other disposition of, any Qualifiable Securities for such period as such managing underwriter reasonably requests, such period in no event to end more than 90 days after the effective date of such offering. In addition, such Investor agrees to execute and deliver to any managing underwriter (or, in the case of any offering that is not underwritten, an investment banker or agent registered under applicable securities laws) in connection with such Demand Qualification any lock-up letter requested by such managing underwriter of the applicable Investor and in form and substance reasonably satisfactory to such

Investor. Such Investor further agrees that the Corporation may or may instruct its transfer agent, if applicable, to place stop transfer notations in its records to enforce the provisions of this Section 4.11(a).

(b) After receipt of notice of a request for a Demand Qualification pursuant to this Agreement, the Corporation shall not initiate, without the consent of the Investor(s) having requested the Demand Qualification, a qualification of any of its securities for its own account until one hundred and twenty (120) days after such Demand Qualification has become effective or such Demand Qualification has been terminated.

4.12 Obligations of the Corporation on a Demand Qualification

If the Corporation is required under this Agreement to effect a Demand Qualification, the Corporation will:

(a) as expeditiously as reasonably possible, prepare and file with the Canadian Securities Authorities in the Qualifying Jurisdictions a preliminary prospectus and a final prospectus with respect to such Qualifiable Securities and use, subject to the other provisions of this Agreement, its reasonable best efforts to obtain a receipt in respect of the final prospectus and, upon the request of the applicable Investor(s), keep such prospectus effective until such time at which such Investor(s) have informed the Corporation in writing that the distribution of their Shares has been completed;

(b) without limiting the generality of the foregoing, use its reasonable best efforts to resolve any regulatory comments and satisfy any regulatory deficiencies in respect of the preliminary prospectus and, as soon as reasonably practicable after such comments or deficiencies have been resolved or satisfied, prepare and file, and use its reasonable best efforts to obtain a receipt or similar document in the Qualifying Jurisdictions for, the final prospectus, and take all other steps and proceedings necessary in order to qualify the distribution of the Qualifiable Securities to the public as freely tradable securities in the Qualifying Jurisdictions;

(c) permit the applicable Investor(s) to participate in the preparation of such preliminary prospectus and final prospectus (including making available for inspection by such Investor(s) and any lawyers, accountants or other agents retained by such Investor(s), all financial and other records, pertinent corporate documents and all other information reasonably requested in connection therewith) and give to such Investor(s), the underwriters, if any, and their respective counsel and accountants, advance draft copies of each such prospectus filed with the applicable Canadian Securities Authorities at least three (3) Business Days prior to the filing thereof with the applicable Canadian Securities Authorities, and any amendments and supplements thereto, promptly as they become available, and give each of them such access to its books and records and such opportunities to discuss the business of the Corporation with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such Investor(s) and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Canadian Securities Laws;

(d) ensure that the prospectus contains the disclosure required by, and conforms in all material respects to the requirements of, the applicable provisions of Canadian Securities Laws and furnish to the applicable Investor(s) copies of each of the preliminary prospectus and final prospectus and such other documents as they may reasonably request to facilitate the disposition of Qualifiable Securities by them;

(e) prepare and file with the securities regulatory authorities in the Qualifying Jurisdictions any amendments and supplements to the prospectus that may be necessary to comply with Canadian Securities Laws with respect to the distribution of all securities qualified by such prospectus;

(f) in the case of an underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the lead underwriter of such offering;

(g) furnish, at the request of the applicable Investor(s), on the date that the applicable Qualifiable Securities are delivered to the underwriters for sale in connection with an offering pursuant to this Agreement, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the Receipt Date:

(A) an opinion or opinions, dated such date, of counsel representing the Corporation for the purposes of such offering, in form and substance as is customarily given by company counsel to the underwriters in an underwritten public offering (including, if applicable, a translation opinion), addressed to the underwriters, if any, and to the applicable Investor(s); and

(B) a letter dated such date, from the auditors of the Corporation, in form and substance as is customarily given by auditors to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the applicable Investor(s), but only if the applicable Investor(s) have made such representations and furnished such undertakings as such auditors reasonably require in providing such letter; and

(h) keep the applicable Investor(s) reasonably advised of the status of such qualification.

4.13 Furnish Information

The obligation of the Corporation to take any action pursuant to this Agreement in respect of Qualifiable Securities is conditional upon the applicable Investor(s) furnishing to the Corporation such information regarding themselves, the Qualifiable Securities and the intended method of disposition of such securities, as is required to effect the qualification of the Qualifiable Securities.

4.14 No Obligation to Complete Offering

The Corporation is under no obligation to complete any offering of its securities it proposes to make in connection with a Piggy-Back Qualification and will incur no liability to the Investors for its failure to do so.

4.15 Amending or Supplementing Prospectuses

Whenever a distribution under a prospectus qualifying Qualifiable Securities pursuant to this Agreement has not been completed and the Corporation determines that, based upon advice of counsel, such prospectus requires amendment or supplementing, the Corporation will notify the applicable Investor(s) of such fact and will promptly cause such prospectus to be amended or supplemented, as the case may be, and will notify the applicable Investor(s) when such amendment or supplement has been filed. Such Investor(s) will not sell any Qualifiable Securities until such latter notice is provided. If the Board of Directors determines in its reasonable discretion that it would not be in the best interests of the Corporation to so amend or supplement the prospectus or registration statement at such time, the Corporation is entitled to delay the filing of such amendment or supplement for a period not to exceed ten (10) Business Days.

4.16 U.S. Registration Rights

The Corporation covenants and agrees that in the event the Corporation proposes to become a U.S. registrant at a time when one or more Investors is or are entitled to the rights in their favour set out in this Article 4, the Corporation will, as a condition to so becoming a U.S. registrant, either (i) provide an opinion of recognized U.S. securities law counsel confirming that the Qualifiable Securities will be freely tradeable in the United States or (ii) enter into a registration rights agreement with the applicable Investor(s) in a form acceptable to such Investor(s),

acting reasonably, upon terms substantially similar to those provided in this Article 4 with respect to Demand Qualifications and Piggy-Back Qualifications.

4.17 Consultation with the Corporation

Notwithstanding any other provision of this Article 4, before exercising their respective rights to require a Demand Qualification under this Agreement, the Investors will first consult with the Corporation and discuss whether there are any other methods or procedures reasonably available to them at that time that would enable them to sell the Qualifiable Securities that they wish to dispose of at that time in compliance with Canadian Securities Laws (or, if Section 4.16 applies, applicable federal and state securities Laws in the United States) for net proceeds comparable to those that such Investor(s) would expect to receive pursuant to a qualified public offering of such Qualifiable Securities pursuant to a Demand Qualification (an "**Alternative Sale**"). If an Investor, acting on the advice of its financial, legal and other advisors, is satisfied that, in its reasonable discretion, an Alternative Sale would be at least as advantageous to such Investor in all respects (including pricing, net proceeds, terms and timing) as a transaction pursuant to a Demand Qualification, such Investor will not pursue a Demand Qualification at that time. For the avoidance of doubt, the pursuit or completion by an Investor of such an Alternative Sale would not constitute an exercise by such Investor of its right to require a Demand Qualification.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants to the Investors as of the date of this Agreement as follows:

5.1 Corporate Status

The Corporation is duly continued and validly existing under the Laws of its governing jurisdiction and (a) has all requisite corporate power and authority to carry on its business as it is now being conducted and (b) is duly qualified to do business in each of the jurisdictions in which the ownership, operation or leasing of its properties and assets or the conduct of its business requires it to be so qualified, except where the failure to be so qualified would not have a Material Adverse Effect or materially impair the Corporation's ability to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

5.2 Authorization

The Corporation has all the requisite corporate power and authority to enter into, and to perform its obligations under, this Agreement. The execution and delivery of this Agreement by the Corporation and the consummation by the Corporation of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors and no other corporate proceedings of the Corporation, including approval of the shareholders of the Corporation, are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Corporation, and (assuming due authorization, execution and delivery by each of the Investors) this Agreement constitutes a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

5.3 No Conflict

The execution, delivery and performance of this Agreement by the Corporation and the consummation by the Corporation of the transactions contemplated hereby will not (a) violate any applicable Law to which any of the Corporation or its Affiliates are subject, (b) materially conflict with, result in a material violation or material breach of, or constitute a material default under, result in the acceleration of, create in any party the right to accelerate, terminate or cancel any Contract to which the Corporation or its Affiliates is a party or by which the Corporation or its Affiliates is bound or to which the assets of the Corporation or its Affiliates are subject, or (c) violate the

charter, bylaws or other organizational documents of any of the Corporation or its Affiliates, other than, in the case of clauses (b) and (c) above, any such violations, defaults, conflicts, breaches, accelerations or rights that would not materially impair the Corporation's ability to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

5.4 Disclaimer of Warranties

Notwithstanding any provision of this Agreement to the contrary, the Corporation makes no representations or warranties to the Investors or any other Person in connection with this Agreement, except as specifically set forth in this Article 5. All other representations and warranties, whether express or implied, are disclaimed by the Corporation.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE IQ PARTIES

The IQ Parties jointly and severally represent and warrant to the Corporation and the other Investors as of the date of this Agreement as follows:

6.1 Corporate Status

(a) Diaquem is duly incorporated and validly existing under the Laws of its governing jurisdiction.

(b) IQ is duly incorporated and validly existing under *An Act respecting Investissement Québec*;

(c) RQ is duly incorporated and validly existing under the Laws of its governing jurisdiction.

Each of the IQ Parties (a) has all requisite corporate power and authority to carry on its business as it is now being conducted and (b) is duly qualified to do business in each of the jurisdictions in which the ownership, operation or leasing of its properties and assets or the conduct of its business requires it to be so qualified, except where the failure to be so qualified would not materially impair the IQ Parties' ability to perform their obligations under this Agreement or consummate the transactions contemplated hereby.

6.2 Authorization

Each of the IQ Parties has all requisite corporate power and authority to enter into, and perform its obligations under, this Agreement. The execution and delivery of this Agreement by the IQ Parties and the consummation by the IQ Parties of the transactions contemplated hereby have been duly and validly authorized by the board of directors (or equivalent body) of each of the IQ Parties and no other corporate proceedings of the IQ Parties are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by each of the IQ Parties, and (assuming due authorization, execution and delivery by the Corporation and the other Investors) this Agreement constitutes a valid and binding obligation of each of the IQ Parties, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

6.3 No Conflict

The execution, delivery and performance of this Agreement by the IQ Parties and the consummation by the IQ Parties of the transactions contemplated hereby will not (a) violate any applicable Law to which any of the IQ Parties is subject, (b) materially conflict with, result in a material violation or material breach of, or constitute a material default under, result in the acceleration of or create in any party the right to accelerate, terminate or cancel any material Contract to which any of the IQ Parties is a party or by which any of the IQ Parties is bound or to which the assets of any of the IQ Parties are subject, or (c) violate the charter, bylaws or other organizational documents of any of the IQ Parties, other than, in the case of clauses (b) and (c) above, any such

violations, defaults, conflicts, breaches, accelerations or rights that would not materially impair the IQ Parties' ability to perform their respective obligations under this Agreement or consummate the transactions contemplated hereby.

6.4 Disclaimer of Warranties

Notwithstanding any provision of this Agreement to the contrary, the IQ Parties make no representations or warranties to the Corporation or any other Person in connection with this Agreement, except as specifically set forth in this Article 6. All other representations and warranties, whether express or implied, are disclaimed by the IQ Parties.

6.5 No Voting Arrangements

Except as set out in this Agreement and subject to the fact that RQ is holding Shares as mandatary for the Province of Québec and may therefore be subject to voting instructions from the Province of Québec, the IQ Parties have no written or oral agreement, or any right or privilege (whether by Law, pre- emptive or contractual) capable of becoming an agreement, relating to or restricting the exercise of any of the voting rights attaching to the Shares.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF CDPQ

CDPQ represents and warrants to the Corporation and the other Investors as of the date of this Agreement as follows:

7.1 Corporate Status

CDPQ is duly incorporated and validly existing under *An Act respecting the Caisse de dépôt et placement du Québec*.

CDPQ (a) has all requisite corporate power and authority to carry on its business as it is now being conducted and (b) is duly qualified to do business in each of the jurisdictions in which the ownership, operation or leasing of its properties and assets or the conduct of its business requires it to be so qualified, except where the failure to be so qualified would not materially impair CDPQ's ability to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

7.2 Authorization

CDPQ has all requisite corporate power and authority to enter into, and perform its obligations under, this Agreement. The execution and delivery of this Agreement by CDPQ and the consummation by CDPQ of the transactions contemplated hereby have been duly and validly authorized by the board of directors (or equivalent body) of CDPQ and no other corporate proceedings of CDPQ are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by CDPQ, and (assuming due authorization, execution and delivery by the Corporation and the other Investors) this Agreement constitutes a valid and binding obligation of CDPQ, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

7.3 No Conflict

The execution, delivery and performance of this Agreement by CDPQ and the consummation by CDPQ of the transactions contemplated hereby will not (a) violate any applicable Law to which CDPQ is subject, (b) materially conflict with, result in a material violation or material breach of, or constitute a material default under, result in the acceleration of or create in any party the right to accelerate, terminate or cancel any material Contract to

which CDPQ is a party or by which CDPQ is bound or to which the assets of CDPQ are subject, or (c) violate the charter, bylaws or other organizational documents of CDPQ, other than, in the case of clauses (b) and (c) above, any such violations, defaults, conflicts, breaches, accelerations or rights that would not materially impair CDPQ's ability to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

7.4 Disclaimer of Warranties

Notwithstanding any provision of this Agreement to the contrary, CDPQ makes no representations or warranties to the Corporation or any other Person in connection with this Agreement, except as specifically set forth in this Article 7. All other representations and warranties, whether express or implied, are disclaimed by CDPQ.

7.5 No Voting Arrangements

Except as set out in this Agreement, CDPQ has no written or oral agreement, or any right or privilege (whether by Law, pre- emptive or contractual) capable of becoming an agreement, relating to or restricting the exercise of any of the voting rights attaching to the Shares.

ARTICLE 8
REPRESENTATIONS AND WARRANTIES OF ORION

Orion represents and warrants to the Corporation and the other Investors as of the date of this Agreement as follows:

8.1 Corporate Status

Orion is duly incorporated and validly existing under the Laws of its governing jurisdiction.

Orion (a) has all requisite corporate power and authority to carry on its business as it is now being conducted and (b) is duly qualified to do business in each of the jurisdictions in which the ownership, operation or leasing of its properties and assets or the conduct of its business requires it to be so qualified, except where the failure to be so qualified would not materially impair Orion's ability to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

8.2 Authorization

Orion has all requisite corporate power and authority to enter into, and perform its obligations under, this Agreement. The execution and delivery of this Agreement by Orion and the consummation by Orion of the transactions contemplated hereby have been duly and validly authorized by the board of directors (or equivalent body) of Orion and no other corporate proceedings of Orion are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by Orion, and (assuming due authorization, execution and delivery by the Corporation and the other Investors) this Agreement constitutes a valid and binding obligation of Orion, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally or by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

8.3 No Conflict

The execution, delivery and performance of this Agreement by Orion and the consummation by Orion of the transactions contemplated hereby will not (a) violate any applicable Law to which Orion is subject, (b) materially conflict with, result in a material violation or material breach of, or constitute a material default under, result in the acceleration of or create in any party the right to accelerate, terminate or cancel any material Contract to which Orion is a party or by which Orion is bound or to which the assets of Orion are subject, or (c) violate the charter, bylaws or other organizational documents of Orion, other than, in the case of clauses (b) and (c) above,

any such violations, defaults, conflicts, breaches, accelerations or rights that would not materially impair Orion's ability to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

8.4 Disclaimer of Warranties

Notwithstanding any provision of this Agreement to the contrary, Orion makes no representations or warranties to the Corporation or any other Person in connection with this Agreement, except as specifically set forth in this Article 8. All other representations and warranties, whether express or implied, are disclaimed by Orion.

8.5 No Voting Arrangements

Except as set out in this Agreement, Orion has no written or oral agreement, or any right or privilege (whether by Law, pre- emptive or contractual) capable of becoming an agreement, relating to or restricting the exercise of any of the voting rights attaching to the Shares.

ARTICLE 9
INDEMNIFICATION

9.1 Indemnification by Corporation on Demand Qualifications and Piggy-Back Qualifications

(a) If any Qualifiable Securities are included in a prospectus under this Agreement, the Corporation will indemnify and hold harmless the Investor(s) on whose behalf such Qualifiable Securities are included therein pursuant to Section 4.1 or Section 4.3 hereof, the officers, directors, agents and employees of such Investor(s) and any underwriter for such Investor(s) against any losses (other than loss of profit), claims, damages, liabilities (joint or several), actions, settlements or actions (collectively, "**Losses**") to which they may become subject under Canadian Securities Laws or any other Laws, insofar as such Losses arise out of or are based upon any of the following statements, omissions or violations (each a "**Violation**"):

(i) any untrue statement or alleged untrue statement of a material fact contained in such prospectus (including any preliminary prospectus or final prospectus) or any amendments or supplements to them;

(ii) the omission or alleged omission to state in such prospectus (including any preliminary prospectus or final prospectus) a material fact required to be stated in it or necessary to make the statements in it, in light of the circumstances in which they were made, not misleading; or

(iii) any violation or alleged violation by the Corporation of any Canadian Securities Laws in connection with any matter relating, directly or indirectly, to such prospectus or the offering of securities thereunder.

(b) The Corporation will reimburse each such Investor, officer, director, Affiliate, agent, employee, underwriter or controlling person for any legal or other out-of-pocket expenses reasonably incurred by them in connection with investigating or defending any such Losses.

(c) The Corporation is not liable under the indemnity contained in this Section 9.1:

(i) in respect of amounts paid in settlement of any Losses to the extent such settlement is effected without the consent of the Corporation (which consent may not be unreasonably withheld or delayed);

(ii) to the extent that it arises out of or is based upon a Violation that occurs solely in reliance upon and in conformity with written information furnished expressly for use in

connection with such qualification by or on behalf of the Investor(s), underwriter or controlling person; or

(iii) in the case of a sale effected directly by an Investor of Qualifiable Securities (including a sale of such Qualifiable Securities through any underwriter retained by such Investor to engage in a distribution solely on behalf of such Investor), where:

(A) such untrue statement or alleged untrue statement or omission or alleged omission was contained in a preliminary prospectus and corrected in a final or amended prospectus; and

(B) the Investor failed to deliver a copy of the final or amended prospectus at or prior to the confirmation of the sale of the Qualifiable Securities to the Person asserting any such Losses in any case in which such delivery is required by Canadian Securities Laws.

9.2 Indemnification by an Investor on Demand Qualifications and Piggy-Back Qualifications

(a) To the extent that an Investor includes any Qualifiable Securities under any prospectus pursuant to this Agreement, such Investor will indemnify and hold harmless the Corporation, each of its directors, each of its officers who have signed the prospectus, each employee, agent, and any underwriter for the Corporation, against any Losses to which the Corporation or any such director, officer, employee, agent or underwriter may become subject, under Canadian Securities Laws or other Laws, insofar as such Losses arise out of or are based upon any Violation, in each case only to the extent that such Violation occurs solely in reliance upon and in conformity with written information furnished by or on behalf of such Investor expressly for use in connection with such qualification.

(b) Such Investor will reimburse the Corporation or any such director, officer, agent, underwriter or controlling person for any legal or other out-of-pocket expenses reasonably incurred by them in connection with investigating or defending any such Losses.

(c) The liability of the Investors under this indemnity are several. The liability of each Investor under this indemnity is also limited to the amount of net proceeds received by such Investor in the offering giving rise to the Violation.

(d) An Investor is not liable under the indemnity contained in this Section 9.2:

(i) in respect of amounts paid in settlement of any such Losses to the extent such settlement is effected without the consent of such Investor (which consent may not be unreasonably withheld or delayed);

(ii) in the case of a sale effected directly by the Corporation of its Shares (including a sale of such Shares through any underwriter retained by the Corporation to engage in a distribution solely on behalf of the Corporation), where:

(A) such untrue statement or alleged untrue statement or omission or alleged omission was contained in a preliminary prospectus and corrected in a final or amended prospectus; and

(B) the Corporation failed to deliver a copy of the final or amended prospectus at or prior to the confirmation of the sale of the securities to the Person asserting any such Losses in any case in which such delivery is required by Canadian Securities Laws (the "**Confirmation**"); or

(iii) such untrue statement or alleged untrue statement or omission was brought to the Corporation's attention (whether by or on behalf of such Investor or otherwise) prior to the Confirmation, whether or not corrected in a final or amended prospectus.

9.3 Contribution

If any indemnification provided for in Section 9.1 or 9.2 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any Losses referred to in this Agreement, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party under this Agreement, will contribute to the amount paid or payable by such Indemnified Party as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party is to be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, the contribution obligations of the Investors under this section are several and, in addition, the contribution obligations of an Investor under this section will not exceed the amount of net proceeds received by such Investor in the offering giving rise to the Violation.

9.4 Survival

(a) The representations and warranties contained herein shall survive indefinitely.

(b) All covenants and agreements contained herein shall survive in accordance with their terms.

(c) Rights of indemnification and contribution shall survive until all applicable limitation periods (whether by statute or otherwise) relevant to the commencing of an Action which could result in a claim for indemnification or contribution under this Agreement have expired and, if applicable, thereafter until any actual or contingent indemnification obligations have been finally determined and satisfied.

9.5 Indemnification by the Corporation with Respect to Representations, Warranties and Covenants

The Corporation shall indemnify and hold harmless each Investor, and their respective directors and officers (collectively, the "**Investor Indemnified Parties**") from and against any (i) Losses incurred by such Investor Indemnified Party resulting from any breach of any of the representations or warranties of the Corporation, and (ii) Losses incurred by such Investor Indemnified Party resulting from any breach in any material respect of any of the covenants or agreements of the Corporation in this Agreement.

9.6 Indemnification by an Investor with Respect to Representations, Warranties and Covenants

Each Investor shall severally (save and except for the IQ Parties whose liability hereunder shall be joint and several) indemnify and hold harmless the Corporation and its directors and officers (collectively, the "**Corporation Indemnified Parties**"), from and against any (i) Losses incurred by any Corporation Indemnified Party resulting from any breach of any of the representations or warranties of such Investor, and (ii) Losses incurred by any Corporation Indemnified Party resulting from any breach in any material respect of any of the covenants or agreements of such Investor in this Agreement.

9.7 Remedies and Specific Performance

Except as hereafter in this section provided, the rights of indemnity set forth in this Article 9 are the sole and exclusive remedies of each party in respect of any misrepresentation, incorrectness in or breach of any representation or warranty by any other party under this Agreement and in respect of any Violation. The parties

agree that if any of the provisions of this Agreement are not performed in accordance with their specific terms or there is a threatened breach of any provision of this Agreement, the parties shall be entitled to apply to a court of competent jurisdiction for specific performance, injunctive relief or other appropriate remedies to cause there to be compliance with and/or to prevent a breach of this Agreement.

9.8 Indemnification Procedures

(a) In the event that any Action is commenced by a third party involving a claim for which a party required to provide indemnification under this Agreement (an "**Indemnifying Party**") may be liable to a party entitled to indemnification (an "**Indemnified Party**") hereunder (an "**Asserted Liability**"), the Indemnified Party shall promptly notify the Indemnifying Party in writing of such Asserted Liability (the "**Claim Notice**"); provided that no delay or failure on the part of the Indemnified Party in giving any such Claim Notice shall relieve the Indemnifying Party of any indemnification obligation hereunder except to the extent that the Indemnifying Party is prejudiced by such delay. The Indemnifying Party shall have 30 days from its receipt of the Claim Notice (the "**Notice Period**") to notify the Indemnified Party whether or not the Indemnifying Party desires, at the Indemnifying Party's sole cost and expense and by counsel of its own choosing, to defend against such Asserted Liability. If the Indemnifying Party undertakes to defend against such Asserted Liability, (i) the Indemnifying Party shall use its reasonable best efforts to defend and protect the interests of the Indemnified Party with respect to such Asserted Liability and (ii) the Indemnifying Party shall not, without the prior written consent of the Indemnified Party (such consent not to be unreasonably withheld or delayed), consent to any settlement which does not contain an unconditional release of the Indemnified Party from the subject matter of the settlement or that contains an admission of liability or wrongdoing. The Indemnified Party shall have the right to participate in the defence against any Asserted Liability at its own expense. Notwithstanding the foregoing, in any event, the Indemnified Party shall have the right to control, pay or settle any Asserted Liability which the Indemnifying Party shall have undertaken to defend so long as the Indemnified Party shall also waive any right to indemnification therefor by the Indemnifying Party. If the Indemnifying Party undertakes to defend against such Asserted Liability, the Indemnified Party shall fully render to the Indemnifying Party and its counsel such assistance and cooperation as may be required to ensure the proper and adequate defence and settlement of such claim or demand.

(b) If the Indemnifying Party does not undertake within the Notice Period to defend against such Asserted Liability, then the Indemnified Party shall have the right to participate in any such defence and the Indemnifying Party shall bear the reasonable costs and expenses of the Indemnified Party of such defence. In such case, the Indemnified Party shall control the investigation and defence and may settle or take any other actions the Indemnified Party deems reasonably advisable without in any way waiving or otherwise affecting the Indemnified Party's rights to indemnification pursuant to this Agreement. The Indemnified Party and the Indemnifying Party agree to make available to each other, their counsel and other representatives, all information and documents available to them which relate to such claim or demand. The Indemnified Party and the Indemnifying Party also agree to render to each other such assistance and cooperation as may reasonably be required to ensure the proper and adequate defence and settlement of such claim or demand.

(c) In calculating amounts payable to an Indemnified Party, the amount of any indemnified Losses shall be determined without duplication of any other Loss for which an indemnification claim has been made or could be made under any other representation, warranty, covenant, or agreement and shall be computed net of (i) payments recoverable by the Indemnified Party under any insurance policy with respect to such Losses, (ii) any prior or subsequent recovery by the Indemnified Party from any Person with respect to such Losses and (iii) any tax benefit receivable by the Indemnified Party with respect to such Losses.

(d) To the extent that an Indemnifying Party makes any payment pursuant to this Article 9 in respect of Losses for which an Indemnified Party or any of its Affiliates have a right to recover

against a third party (including an insurance company), the Indemnifying Party shall be subrogated to the right of the Indemnified Party or any of its Affiliates to seek and obtain recovery from such third party; provided, however, that if the Indemnifying Party shall be prohibited from such subrogation, the Indemnified Party or its Affiliates, as applicable, shall seek recovery from such third party on the Indemnifying Party's behalf and pay any such recovery to Indemnifying Party.

ARTICLE 10
TERMINATION

10.1 Termination of Agreement

This Agreement shall terminate:

(a) in respect of the IQ Parties, the Percentage Ownership of IQ being less than ten percent (10%), except that Article 2 shall survive such termination and continue to apply in accordance with the terms thereof;

(b) in respect of Orion, the Percentage Ownership of Orion being less than ten percent (10%), except that Article 2 shall survive such termination and continue to apply in accordance with the terms thereof; or

(c) in respect of CDPQ, the Percentage Ownership of CDPQ being less than five percent (5%), except that Article 2 shall survive such termination and continue to apply in accordance with the terms thereof.

The termination of this Agreement shall have no effect upon any rights of any party under this Agreement to the extent those rights arose prior to the date of such termination, or any rights which are to survive as contemplated in section 9.4. For greater certainty, Sections 10.1(b) and 10.1(c) shall not be interpreted to prevent an Investor from acquiring Cutback Securities which result from a Regulatory Cutback, and if following the acquisition of such Cutback Securities the Percentage Ownership of IQ, the Percentage Ownership of Orion or the Percentage Ownership of CDPQ exceeds the thresholds in Section 10.1(b) or 10.1 (c), as applicable, this Agreement shall be reinstated in respect of such Investor(s).

ARTICLE 11
MISCELLANEOUS

11.1 Assignment; Binding Effect

This Agreement and the rights hereunder are not assignable unless such assignment is consented to in writing by the Corporation and each of the Investors, provided, however, that each party hereto may without such consent assign, directly or indirectly, its rights and obligations hereunder to any Affiliate, provided that no such assignment shall relieve the assigning party of its obligations hereunder. Subject to the foregoing, this Agreement and all the provisions hereof shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns.

11.2 Assignment of Qualification Rights

Notwithstanding Section 11.1 hereof, each Investor will be entitled to assign Demand Qualification rights and Piggy-Back Qualification rights to which they are entitled under Article 4 hereof, and the Corporation will timely provide all reasonably requested assistance in respect of any such assignments, including entering into a reasonable qualification rights agreement with the assignee(s) subject only to the following limitations and restrictions (the "**Assigned Qualification Rights**"):

(a) in addition to being subject to the limitations in Section 4.4, an assignee of Assigned Qualification Rights shall be limited to two (2) Demand Qualifications; and

(b) in respect of any Demand Qualification, the assignee shall, notwithstanding the provisions of Section 4.5(a), bear all expenses relating to the qualification of the Qualifiable Securities so assigned, including the reasonable costs of the legal and accounting advisors retained by the Corporation, and any underwriting discounts or commissions, and all registration, filing, printing, accounting and translation fees incurred, and shall be required to provide an advance representing an estimate of such expenses to the Corporation as the Corporation may reasonably request.

The provisions of Sections 4.6, 4.7, 4.8, 4.9, 4.10, 4.11 (except 4.11(b), which shall not apply), 4.12, 4.13, 4.14, 4.15, 4.16 and 4.17 shall apply in connection with any Assigned Qualification Rights, and the assignee of any Assigned Qualification Rights shall be required to enter into a reasonably requested agreement confirming its receipt and review of the provisions applicable to any Assigned Qualification Rights and its agreement to be bound thereby.

11.3 Merger, Etc.

Upon any merger, amalgamation, consolidation, arrangement or other reorganization involving the Corporation in which the Investors receive, in exchange for their Qualifiable Securities, securities of any other entity, the rights of the Investors under this Agreement remain in effect except that such rights relate to the securities received by the Investors upon such exchange. It shall be a condition to the Corporation completing any such merger, amalgamation, consolidation, arrangement or other reorganization that the Investors shall have received written confirmation, in form acceptable to the Investors acting reasonably, from each relevant Person, as to such continuing rights.

11.4 IQ Guarantee

IQ hereby agrees to be jointly and severally liable with Diaquem and RQ for any failure of Diaquem or RQ to discharge its obligations under this Agreement and for the fulfillment of the representations, warranties and other obligations of Diaquem and RQ to the Corporation under this Agreement.

11.5 Choice of Law

This Agreement shall be governed by and interpreted and enforced in accordance with the Laws of the Province of Quebec and the laws of Canada applicable therein without regard to the conflicts of laws rules thereof.

11.6 Dispute Resolution

(a) Any controversy, dispute, claim, question or difference between the Parties arising out of, or relating to, this Agreement (a "**Dispute**") shall be resolved in accordance with the procedures set out in this Section **Erreur ! Source du renvoi introuvable.**, which shall be the exclusive procedure for the resolution of any Dispute between the Parties. Notwithstanding the foregoing, any Party may seek interim relief in the nature of an equitable remedy from a court of competent jurisdiction.

(b) The Parties shall attempt in good faith to resolve any Dispute promptly by negotiation. However, at any time a Party may give the other Party written notice (the "**Initial Notice**") of any Dispute not so resolved. Within 15 Business Days after delivery of an Initial Notice, the recipient Party shall deliver to the other a written response. Both the Initial Notice and the response must include a statement of that Party's position, a summary of arguments supporting that position, and the name and contact particulars of the Person who will represent that Party and of any other Person who will accompany that representative. Within 30 days after delivery of the Initial

Notice, the representatives of both Parties shall meet at mutually acceptable times and places, as often as they reasonably deem necessary, to attempt to resolve the Dispute.

(c) All negotiations pursuant to this Section 11.6 are confidential and are to be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

(d) If the Dispute is not resolved by negotiation as provided in this Section **Erreur ! Source du renvoi introuvable.** within 60 days after delivery of the Initial Notice, or if the Parties fail to meet within 30 days after delivery of such notice, the Parties shall be entitled to commence legal proceedings. In that regard, each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Québec and all courts of competent jurisdiction to hear appeals therefrom. Each party waives any right it has to object to an action being brought in those courts, including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

11.7 Notices

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) when received if delivered personally, (b) when sent by cable, telecopy, telegram or facsimile (which is confirmed by the intended recipient), and (c) when sent by overnight courier service or when mailed by certified or registered mail, return receipt requested, with postage prepaid to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Corporation, to:

Stornoway Diamond Corporation
400-1111, boul. St-Charles O.
Longueuil, Québec, J4K 4G4, Canada

Attn: Chief Financial Officer
Fax: (450) 674-2012

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP
Suite 2500
1 Place Ville-Marie
Montréal, Québec, H3B 1R1, Canada

Attn: Amar Leclair-Ghosh and Steve Malas
Fax: (514) 286-5474

If to CDPQ, to:

Caisse de dépôt et placement du Québec
1000 Place Jean-Paul-Riopelle
Montréal, Québec, H2Z 2B3, Canada

Attn: Anne-Marie Laberge
Fax: 514-847-2690

with a copy (which shall not constitute notice) to:

Lavery, De Billy, LLP
Suite 4000

1 Place Ville-Marie
Montréal, Québec, H3B 4M4, Canada

Attn: René Branchaud
Fax: (514) 871-8977

If to Diaquem, RQ or IQ, to:

Investissement Québec
Suite 1500
600 de la Gauchetière West
Montréal, Québec, H3B 4L8, Canada

Attn: Senior Vice-President, Legal Affairs
Fax: (514) 876-9306

with a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP
Suite 5300 TD Bank Tower
Toronto Dominion Centre
Toronto, Ontario, M5K 1E6, Canada

Attn: Gary Litwack
Fax: (416) 868-0673

If to Orion, to:

Orion Co-Investments I LLC
c/o Appleby (Bermuda) Limited, Canon's Court, 22 Victoria Street, Hamilton HM 12
Bermuda

Attn: Desirae Jones, Appleby Services (Bermuda) Ltd. / Limor Nissan
Fax: (441) 298-3467

11.8 Headings

The headings contained in this Agreement are inserted for convenience only and shall not be considered in interpreting or construing any of the provisions contained in this Agreement.

11.9 Entire Agreement

This Agreement, including the recitals and the schedules hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, both oral and written, between the parties including, but not limited to, the Initial Investor Agreement, with respect to the subject matter hereof and thereof.

11.10 Interpretation

(a) When a reference is made in this Agreement to an Article or Section such reference shall be to an Article or Section of this Agreement unless otherwise indicated.

(b) Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(c) When a reference in this Agreement is made to a "party" or "parties," such reference shall be to a party or parties to this Agreement unless otherwise indicated.

(d) Unless the context requires otherwise, the terms "hereof," "herein," "hereby," "hereto" and derivative or similar words in this Agreement refer to this entire Agreement.

(e) Unless the context requires otherwise, words in this Agreement using the singular or plural number also include the plural or singular number, respectively, and the use of any gender herein shall be deemed to include the other genders.

(f) References in this Agreement to "dollars" or "$" are to Canadian dollars unless otherwise indicated.

(g) Except as otherwise specifically provided herein, where any action is required to be taken on a particular day and such day is not a Business Day and, as a result, such action cannot be taken on such day, then this Agreement shall be deemed to provide that such action shall be taken on the first Business Day after such day.

(h) This Agreement was prepared jointly by the parties and no rule that it be construed against the drafter will have any application in its construction or interpretation.

11.11 Waiver and Amendment

This Agreement may be amended, modified or supplemented only by a written mutual agreement executed and delivered by the Corporation and each of the Investors. Except as otherwise provided in this Agreement, any failure of any party to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligations, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

11.12 Counterparts; Facsimile Signatures

This Agreement may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument binding upon all of the parties notwithstanding the fact that all of the parties are not signatory to the original or the same counterpart. For purposes of this Agreement, facsimile signatures shall be deemed originals.

11.13 Third-Party Beneficiaries

This Agreement is for the sole benefit of the parties and their successors and permitted assigns and nothing herein express or implied shall give or be construed to give to any Person, other than the parties and their respective successors and permitted assigns, any legal or equitable rights hereunder. Notwithstanding the foregoing, the officers, directors, agents and employees of a Party (the "**Third Party Beneficiaries**") shall have those rights and benefits of the indemnities specifically granted to them pursuant to Article 9 (all such rights, the "**Third Party Rights**"). The relevant Party agrees to hold the benefit of the Third Party Rights as trustee for the benefit of the relevant Third Party Beneficiaries and agrees to accept such trust and to hold and enforce such Third Party Rights on behalf of such Third Party Beneficiaries

11.14 Severability

If any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof. The parties shall engage in good faith negotiations to replace any provision which is declared invalid, illegal or unenforceable with a valid, legal and

enforceable provision, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision which it replaces.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

ORION CO-INVESTMENTS I LLC

Per: _____

Name: Robert Chmiel

Title: Chief Financial Officer, Orion Mine Finance Management I Limited, as Managing Member

Per: _____

Name:

Title:

INVESTISSEMENT QUÉBEC

Per: _____

Name:

Title:

Per: _____

Name:

Title:

DIAQUEM INC.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

RESSOURCES QUÉBEC, as principal and as mandatary for the Government of Québec

Per: _____

Name:

Title:

Per: _____

Name:

Title:

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

Per: _____

Name:

Title:

Per: _____

Name:

Title:

STORNOWAY DIAMOND CORPORATION

Per: _____

Name: Matthew L. Manson

Title: President & Chief Executive Officer

Per: _____

Name: Zara Boldt

Title: Vice-President, Finance and Chief Financial Officer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

ORION CO-INVESTMENTS I LLC

Per: _____

Name:

Title:

Per: _____

Name:

Title:

INVESTISSEMENT QUÉBEC

Per: _____

Name: Gary Litwack

Title: Attorney

Per: _____

Name:

Title:

DIAQUEM INC.

Per: _____

Name: Gary Litwack

Title: Attorney

Per: _____

Name:

Title:

RESSOURCES QUÉBEC INC., as principal and as mandatary for the Government of Québec

Per: _____

Name: Gary Litwack

Title: Attorney

Per: _____

Name:

Title:

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

Per: _____

Name:

Title:

Per: _____

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Name:
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Per: _____
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Title:

DIAQUEM INC.

Per: _____
Name:
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Per: _____
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Title:

RESSOURCES QUÉBEC INC., as principal and as mandatary for the Government of Québec

Per: _____
Name:
Title:

Per: _____
Name:
Title:

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

Per: _____
Name: Dany Pelletier
Title: Directeur, ins, Dirigeants

Per: _____
Name: LUC HOULE
Title: PREMIER VICE-PRÉSIDENT QUÉBEC

STORNOWAY DIAMOND CORPORATION

Per: _____
Name: Matthew L. Manson
Title: President & Chief Executive Officer

Per: _____
Name: Zara Boldt
Title: Vice-President, Finance and Chief Financial Officer

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

ORION CO-INVESTMENTS I LLC

Per: _____
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Per: _____
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INVESTISSEMENT QUÉBEC

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Per: _____
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DIAQUEM INC.

Per: _____
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Title:

Per: _____
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Per: _____
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