

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, or other nominee, accountant, lawyer or other professional advisor.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer (as hereinafter defined) is not being made to, nor will deposits be accepted from or on behalf of, Shareholders (as hereinafter defined) in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror (as hereinafter defined) or its agents may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in such jurisdiction.

This Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of this Offer or upon the accuracy or adequacy of the information contained in this document. Any representation to the contrary is an offence.

November 14, 2011



CardinalHealth

CARDINAL HEALTH CANADA INC.

OFFER TO PURCHASE FOR CASH

all of the outstanding common shares (together with the associated Shareholder Rights issued under the Shareholder Rights Plan) of



FUTUREMED HEALTHCARE PRODUCTS CORPORATION

at a price of \$8.15 in cash per common share

Cardinal Health Canada Inc. (the “**Offeror**”) hereby offers (the “**Offer**”) to purchase, at a purchase price of \$8.15 in cash per common share (the “**Offer Consideration**”), on and subject to the terms and conditions of the Offer, all of the issued and outstanding common shares (the “**Common Shares**”) of Futuremed Healthcare Products Corporation (the “**Company**” or “**Futuremed**”), including any Common Shares issued after the date of the Offer and prior to the Expiry Time (as hereinafter defined) on the exercise, exchange or conversion of any securities that are convertible or exchangeable into Common Shares, together with all associated rights (the “**Shareholder Rights**”) issued to holders of Common Shares (the “**Shareholders**”) pursuant to the shareholder rights plan of Futuremed (the “**Shareholder Rights Plan**”). No additional payment will be made for the Shareholder Rights or any securities that are convertible or exchangeable into Common Shares and no part of the consideration to be paid by the Offeror for the Common Shares will be allocated to the Shareholder Rights.

The Offeror is an indirect wholly-owned subsidiary of Cardinal Health, Inc. (“**Cardinal Health**”).

The Offer is open for acceptance until 8:00 p.m. (Eastern Time) on December 20, 2011 (the “Expiry Time”), unless the Offer is extended or withdrawn.

The Offer is subject to certain conditions which are described under “Conditions of the Offer” in Section 4 of the Offer including there being validly deposited under the Offer and not withdrawn as at the Expiry Time, such number of Common Shares that, together with any Common Shares directly or indirectly owned (or over which control or direction is exercised) by the Offeror, Cardinal Health and its affiliates and joint actors, represent at least 66^{2/3}% of the Common Shares outstanding (calculated on a fully diluted basis). The Offeror reserves the right to withdraw or terminate the Offer and not take up and pay for any Common Shares validly deposited under the Offer unless all of the conditions of the Offer are satisfied or waived by the Offeror at or prior to the Expiry Time.

If the Offeror takes up and pays for a sufficient number of the Common Shares validly deposited under the Offer (at least 66^{2/3}% of the issued and outstanding number of Common Shares), the Offeror will acquire any Common Shares not deposited by way of a Compulsory Acquisition (as hereinafter defined), if available, or a Subsequent Acquisition Transaction (as hereinafter defined).

The Futuremed Board of Directors has unanimously determined, upon the recommendation of a special committee of independent directors, and after consultation with the Company's financial and legal advisors and receipt of a fairness opinion from CIBC World Markets Inc. ("CIBC"), that it is in the best interests of the Company to support and facilitate the Offer, enter into the Support Agreement and recommend that Shareholders deposit their Common Shares to the Offer. For further information, see the Directors' Circular of the Company accompanying this Offer and the accompanying circular forming part of the Offer (the "**Circular**").

Futuremed has entered into a support agreement dated October 24, 2011 (the "**Support Agreement**") with the Offeror and Cardinal Health which sets forth, among other things, the terms and conditions upon which the Offer is to be made. Pursuant to the Support Agreement, Futuremed has agreed to support the Offer and not to solicit any competing alternative proposals. See "Description of the Support Agreement" in Section 4 of the Circular.

The Offeror is also party to lock-up agreements (the "**Lock-Up Agreements**") dated October 24, 2011 with each of the directors and senior officers of Futuremed named under the definition of Lock-Up Agreements (collectively, the "**Locked-Up Parties**") pursuant to which each Locked-Up Party has agreed to support the Offer and irrevocably accept the Offer and deposit or cause to be deposited under the Offer and not withdraw, subject to certain exceptions, all of the Common Shares beneficially owned or acquired by such Locked-Up Party. The Locked-Up Parties own an aggregate of 769,545 Common Shares, representing approximately 5% of the outstanding Common Shares. The Offeror has also entered into an employment agreement and a non-competition agreement with Raymond Stone, which will come into effect upon the completion of the Offer. See "Agreements, Commitments or Understandings" in Section 10 of the Circular.

The Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the stock symbol "FMD". **The closing price of the Common Shares on October 24, 2011, the last trading day prior to the announcement of the execution of the Support Agreement and the Offeror's intention to make the Offer, was \$6.20. The Offer Consideration represents a premium of approximately 31% over this closing price. The Offer Consideration also represents a premium of approximately 37% over the volume weighted average trading price of the Common Shares on the TSX for the 20 trading days ending on October 24, 2011.**

Shareholders who wish to accept the Offer must properly complete and duly execute the accompanying letter of transmittal (the "**Letter of Transmittal**") (printed on **YELLOW** paper) and deposit it, together with certificates representing their Common Shares and all other required documents, with CIBC Mellon Trust Company (the "**Depository**") in accordance with the instructions in the Letter of Transmittal.

Alternatively, Shareholders may: (a) accept the Offer by following the procedures for book-entry transfer of Common Shares described under "Manner of Acceptance — Acceptance by Book-Entry Transfer" in Section 3 of the Offer; or (b) accept the Offer where the certificates representing the Common Shares are not immediately available, or if the certificates and all of the required documents cannot be provided to the Depository prior to the Expiry Time, by following the procedures for guaranteed delivery described under "Manner of Acceptance — Procedure for Guaranteed Delivery" in Section 3 of the Offer using the accompanying notice of guaranteed delivery (the "**Notice of Guaranteed Delivery**") (printed on **PINK** paper) or a manually signed facsimile copy thereof.

Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact that nominee for assistance if they wish to accept the Offer.

All payments under the Offer will be made in Canadian dollars. Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depository. However, a broker or other nominee through whom a Shareholder owns Common Shares may charge a fee to tender Common Shares on behalf of the Shareholder. Shareholders should consult their brokers or nominees to determine whether any charges will apply.

Questions and requests for assistance for the tender of Common Shares may be directed to the Depository. Contact details for the Depository may be found on the last page of this document. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depository at its address shown on the last page of this document. Additionally, copies of this document and related materials may be found under the profile of Futuremed at www.sedar.com.

Questions regarding information contained in this Offer and Circular may be directed to Georgeson Inc. (the "**Information Agent**") at their address and phone numbers set forth in this Offer and Circular. Shareholders may also contact their respective investment advisors, stockbrokers, bank managers, trust company managers, accountants, lawyers or other professional advisors for assistance.

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NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The Offer is made for the securities of a Canadian issuer. The solicitations and transactions contemplated in the Offer and Circular are made in accordance with Canadian corporate and securities laws, and the Offer and Circular have been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders should be aware that these requirements are different from those of the United States. Financial information included herein, if any, has been prepared in accordance with Canadian generally accepted accounting principles and thus may not be comparable to financial information reported by United States companies.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Offeror is incorporated under the laws of Canada and Futuremed is incorporated under the laws of the Province of Ontario and that some or all of their officers and directors reside outside the United States and that all or a substantial portion of the assets of the Offeror and Futuremed and of the above mentioned persons may be located outside of the United States.

Shareholders in the United States should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Common Shares during the period of the Offer, as permitted by applicable Canadian laws or provincial laws or regulations.

This document does not address any United States federal or state income tax consequences of the Offer to Shareholders in the United States. Shareholders in the United States should be aware that the disposition of Common Shares pursuant to the Offer may have tax consequences both in the United States and in Canada. Potential U.S. tax consequences may not be fully described herein. Accordingly, Shareholders in the United States are urged to consult their own tax advisors with respect to their particular circumstances and the tax considerations applicable to them. See "Certain Canadian Federal Income Tax Considerations" in Section 17 of the Circular.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THIS TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

CURRENCY

All dollar references in the Offer and Circular are in Canadian dollars, except where otherwise indicated. On November 10, 2011, the Bank of Canada noon rate of exchange for the Canadian dollar, expressed in U.S. dollars was Canadian \$1.00 = United States \$0.9814.

FORWARD LOOKING STATEMENTS

Certain statements made in the accompanying Circular, Offer and the summary thereof are forward-looking statements that involve risks and uncertainties. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "expected", "scheduled", "estimates", "intends", "anticipates", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These forward-looking statements reflect the Offeror's best judgment based on current information, factors and assumptions, and although it bases these statements on circumstances that it believes to be reasonable when made, there can be no assurance that future events will not affect the accuracy of such forward-looking information. As such, the forward-looking statements are not guarantees of future performance or actions, and actual performance and actions may vary materially from the actions and expectations discussed in this documentation. The Offeror and Cardinal Health disclaim any intention or obligation to update or revise any forward looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

DEFINITIONS

In the accompanying Summary and in the Offer and Circular, unless the context otherwise requires or unless defined elsewhere herein, the following terms have the meanings indicated:

“**Alternative Proposal**” has the meaning ascribed thereto under Section 4 of the Circular, “Description of the Support Agreement — Non-Solicitation Obligations and Superior Proposal”;

“**affiliate**” has the meaning ascribed thereto in National Instrument 45-106 — *Prospectus and Registration Exemptions*, as in effect on the date of the Support Agreement;

“**agent**” of a person means any (i) trustee, director, officer, partner, member or employee of that person; (ii) financial advisor, law firm, accounting firm, engineering firm, financing source or other professional or consulting person of or acting on behalf of that person, to that person; or (iii) any trustee, director, officer, partner, member, employee or financial, legal or other advisor of any agent referred to in clause (ii) of this definition;

“**allowable capital loss**” has the meaning ascribed thereto under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**Arrangement**” has the meaning ascribed thereto under Section 2 of the Circular, “Futuremed”;

“**associate**” has the meaning ascribed thereto in the OBCA;

“**Benefits**” has the meaning ascribed thereto under Section 10 of the Circular, “Agreements, Commitments or Understandings — Employment Agreement with Raymond Stone”;

“**Business**” means the business of distributing consumable nursing and other non-pharmaceutical medical supplies and specialized furniture and equipment to long-term, continuing and acute healthcare providers and physicians across Canada;

“**Business Day**” means any day except a Saturday, Sunday or statutory holiday observed in Toronto, Ontario, Canada or Dublin, Ohio, United States;

“**Cardinal Health**” means Cardinal Health, Inc., a corporation incorporated under the laws of Ohio;

“**CBCA**” means the *Canada Business Corporations Act*;

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.;

“**CDSX**” means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

“**CIBC**” means CIBC World Markets Inc.;

“**Circular**” means the take-over bid circular accompanying the Offer and forming a part thereof;

“**close of business**” on any given date means the time on such date (or, if such date is not a Business Day, on the next following Business Day) at which the office of the transfer agent for the Common Shares in the City of Toronto, Canada becomes closed to the public;

“**Common Shares**” means all of the outstanding common shares of the Company, together with the associated Shareholder Rights;

“**Competition Act**” means the *Competition Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

“**Competition Act Approval**” has the meaning ascribed thereto in Section 4(j) of the Offer, “Conditions of the Offer”;

“**Competition Commissioner**” means the Commissioner of Competition appointed pursuant to the Competition Act;

“**Competition Laws**” means any law designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or preventing or lessening of competition, including the Competition Act;

“**Compulsory Acquisition**” has the meaning ascribed thereto under Section 16 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer — Compulsory Acquisition”;

“**Confidentiality Agreement**” has the meaning ascribed thereto under Section 3 of the Circular, “Background to the Offer”;

“**CRA**” has the meaning ascribed thereto under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**Depository**” means CIBC Mellon Trust Company at its offices specified in the Letter of Transmittal;

“**Deposited Common Shares**” has the meaning ascribed thereto under Section 3 of the Offer, “Manner of Acceptance — Dividends and Distributions”;

“**Directors’ Circular**” means the circular of the Futuremed Board of Directors in respect of the Offer dated the date hereof;

“**Dissenting Shareholder**” has the meaning ascribed thereto under Section 16 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer — Compulsory Acquisition”;

“**Distribution**” or “**Distributions**” has the meaning ascribed thereto under Section 3 of the Offer, “Manner of Acceptance — Dividends and Distributions”;

“**Effective Time**” has the meaning ascribed thereto under Section 3 of the Offer, “Manner of Acceptance — Power of Attorney”;

“**Eligible Institution**” means a Canadian Schedule I chartered bank, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States;

“**Expiry Date**” means December 20, 2011, or any subsequent date set out in any notice of the Offeror extending the period during which Common Shares may be deposited under the Offer; provided that, if such day is not a Business Day, then the Expiry Date shall be the next Business Day, all in compliance with applicable laws as provided under Section 5 of the Offer, “Extension, Variation or Change in the Offer”;

“**Expiry Time**” means 8:00 p.m. (Eastern Time) on the Expiry Date, or such later time and date as may be fixed by the Offeror from time to time as provided under Section 5 of the Offer, “Extension, Variation or Change in the Offer”, unless the Offer is withdrawn by the Offeror;

“**Futuremed**” or the “**Company**” means Futuremed Healthcare Products Corporation, a corporation existing under the laws of the Province of Ontario, Canada;

“**Futuremed Board of Directors**” means the board of directors of Futuremed;

“**GAAP**” means Canadian generally accepted accounting principles;

“**Governmental Authority**” means any domestic, federal, state, provincial, territorial, local, foreign or supranational regulatory authority or government department or agency, commission, ministry, office, court, tribunal, Crown corporation, stock exchange or any other entity with the power to establish laws having jurisdiction or claiming to have jurisdiction on behalf of Canada, the United States of America or any province, state, municipality or any other subdivision thereof;

“**includes**” or “**including**” means “**includes, without limitation**” or “**including, without limitation**”, respectively;

“**Indemnified Parties**” has the meaning ascribed thereto under Section 10 of the Circular, “Agreements, Commitments or Understandings — Directors’ and Officers’ Insurance and Indemnification Arrangements”;

“**Information Agent**” means Geogeson Inc.;

“**insider**” has the meaning ascribed thereto in the Securities Act;

“**Investment Canada Act**” means the *Investment Canada Act* (Canada), as amended from time to time;

“**IRS**” means the Internal Revenue Service;

“**JDA**” means the Joint Defence, Common Interest and Confidentiality Agreement between Futuremed and Cardinal Health dated July 27, 2011;

“**July IOI**” has the meaning ascribed thereto under Section 3 of the Circular, “Background to the Offer”;

“**law**” or “**laws**” means any federal, provincial, state, regional, municipal or local laws, statutes, by-laws, rules, regulations, orders, codes, policies, guidelines, decrees, authorizations, approvals, notices and directions and judicial arbitral, administrative, ministerial or departmental judgments, awards or other requirements, in each case of any Governmental Authority, court or other authority having jurisdiction, including Securities Laws;

“**Letter of Transmittal**” means the Letter of Transmittal for Deposits of Common Shares (printed on **YELLOW** paper) in the form accompanying the Offer and Circular;

“**Liens**” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation;

“**Lock-Up Agreements**” means the lock-up agreements between the Offeror and the directors, being John Gordon McLaughlin, David Cutler, Duncan Gibson and Raymond Howard Stone, and senior management of Futuremed owning more than 10,000 Common Shares, being Francine Pomerleau and Daniel Zelig Sacks, each dated October 24, 2011;

“**Locked-Up Common Shares**” means the Common Shares deposited under the Lock-Up Agreements;

“**Locked-Up Parties**” means the parties who have entered into the Lock-Up Agreements with the Offeror;

“**Material Adverse Effect**” means any change, event, occurrence, effect or circumstance that individually or in the aggregate with such other changes, events, occurrences, effects or circumstances, is or could reasonably be expected to have a material adverse effect on the business or the results of operations, assets, liabilities (whether absolute,

accrued, contingent or otherwise) or financial condition of the Company and its subsidiaries, taken as a whole, except any such change, event, occurrence, effect or circumstance resulting from or arising in connection with: (a) any change in GAAP or International Financial Reporting Standards; (b) any adoption, proposal, implementation or change in laws or any interpretation thereof by any Governmental Authority; (c) any change in global, national or regional political conditions (including the commencement, occurrence or continuation of any strike, riot, lockout, outbreak of illness, war, armed hostilities, act of terrorism or facility takeover for emergency purposes); (d) any change in general economic, business, regulatory or market conditions or in national or global financial, capital, securities or currency markets; (e) any natural disaster; (f) the execution, announcement or performance of the Support Agreement or consummation of the transactions contemplated thereby, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Company or any of its subsidiaries with any of their employees, financing sources, bondholders, shareholders or other stakeholders; (g) any change in the market price or trading volume of any securities of the Company (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred) or any suspension of trading in securities generally on any securities exchange on which any securities of the Company trade; (h) the failure of the Company in and of itself to meet any internal or public projections, forecasts, or estimates of revenue or earnings (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred); (i) any action, omission, effect, change, event or occurrence taken, made, caused, requested or directed by or on behalf of the Offeror; (j) any change affecting the industry of consumable nursing supplies, specialized long term care related furniture and equipment; or (k) any action taken by the Company or any of its subsidiaries that is required or permitted pursuant to the Support Agreement; provided, however, that, such effect referred to in clauses (a), (b), (c), (d) and (j) above does not have a materially disproportionate adverse effect on the Company and its subsidiaries, taken as a whole, compared to comparable companies operating in the industry in which the Company and its subsidiaries operate. Unless expressly provided in any particular section of the Support Agreement, references in certain sections of the Support Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a “Material Adverse Effect” has occurred;

“Material Contract” means a contract, agreement, understanding or similar arrangement to which the Company or any of its subsidiaries is a party: (a) which, if terminated, would reasonably be expected to have a Material Adverse Effect on the Company and its subsidiaries, taken as a whole; (b) under which the Company or any of its subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party; (c) relating to indebtedness for borrowed money of the Company or any of its Subsidiaries, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of \$1,000,000; (d) providing for the establishment, organization or formation of any joint ventures involving the Company or any of its subsidiaries; (e) under which the Company or any of its subsidiaries is obligated to make, or expects to receive, payments in excess of \$1,000,000 over the remaining term of the contract; (f) that limits or restricts the Company or any of its subsidiaries from engaging in any line of business or any geographic area in any material respect; (g) pursuant to which the Company or any of its subsidiaries provides an indemnification to any person (other than a current or former director, officer or consultant of the Company or any of its subsidiaries and contracts entered into by the Company or any of its subsidiaries in the ordinary course consistent with past practice that would not otherwise be a Material Contract pursuant to the definition hereof), that is otherwise material to the Company and its subsidiaries, considered as a whole;

“MI 61-101” means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time;

“Minimum Tender Condition” means that there shall have been validly deposited under the Offer and not withdrawn at the Expiry Time that number of Common Shares which, together with any Common Shares directly or indirectly owned (or over which control or direction is exercised) by the Offeror and its affiliates and joint actors, constitutes at least 66^{2/3}% of the Common Shares outstanding (on a fully diluted basis) at the Expiry Time;

“Non-Resident Shareholder” has the meaning ascribed thereto under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations — Shareholders Not Resident in Canada”;

“**Notice of Guaranteed Delivery**” means the Notice of Guaranteed Delivery for Deposits of Common Shares (printed on **PINK** paper) in the form accompanying the Offer and Circular, or a facsimile thereof;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Offer**” means the offer to purchase all of the outstanding Common Shares made hereby to Shareholders on the terms and conditions set forth herein;

“**Offer Consideration**” means the consideration to be paid by the Offeror for the Common Shares taken up under the Offer (subject to adjustment as provided herein);

“**Offer Documents**” means the Offer, the Circular, the Notice of Guaranteed Delivery and the Letter of Transmittal;

“**Offer Period**” means the period commencing on the date of the Offer and ending at the Expiry Time;

“**Offeror**” means Cardinal Health Canada Inc., a corporation incorporated under the federal laws of Canada, and a wholly-owned indirect subsidiary of Cardinal Health;

“**Offeror Affiliate Group**” has the meaning ascribed thereto under Section 8 of the Circular, “Beneficial Ownership of and Trading in Securities of Futuremed”;

“**Offeror Group**” has the meaning ascribed thereto under Section 8 of the Circular, “Beneficial Ownership of and Trading in Securities of Futuremed”;

“**Offeror Notice**” has the meaning ascribed thereto under Section 16 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer — Compulsory Acquisition”;

“**Options**” means all options, rights, warrants or other contracts, other than the Shareholder Rights Plan, under which the Company or any of its subsidiaries is required to issue, sell or transfer or relating to any securities of the Company or any of its subsidiaries or any securities convertible into or exchangeable for, or otherwise evidencing a right to acquire, any securities of the Company or any of its subsidiaries;

“**Outside Date**” means February 6, 2012 (provided that such date shall be February 21, 2012 in the event that the Competition Act Approval has not been obtained by February 6, 2012) or if the Competition Act Approval is obtained within ten (10) days of the Expiry Date and all other conditions to the Offer, other than the Minimum Tender Condition, have been satisfied or waived, the Outside Date shall be extended to the end of the extension period of the Offer, or such date as may be agreed in writing by the Offeror and the Company;

“**Parties**” means the Company, Cardinal Health and the Offeror, and “**Party**” means any one of them;

“**Permitted Dividends**” means quarterly cash dividends in the ordinary course, consistent with past practice of no more than \$0.16875 per Common Share per quarter;

“**person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation, limited liability company, unlimited liability company, governmental, regulatory or court authority, and a natural person in such person’s capacity as trustee, executor, administrator or other legal representative;

“**Proposed Agreement**” has the meaning ascribed thereto under Section 4 of the Circular, “Description of the Support Agreement — Proposed Agreement and Right to Match”;

“**Proposed Amendments**” has the meaning ascribed thereto under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**Public Disclosure Record**” means all documents filed with respect to the Company or any of its subsidiaries on SEDAR;

“**Redeemable Shares**” has the meaning ascribed thereto under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Subsequent Acquisition Transaction”;

“**Response Period**” has the meaning ascribed thereto under Section 4 of the Circular, “Description of the Support Agreement — Proposed Agreement and Right to Match”;

“**Resident Shareholder**” has the meaning ascribed thereto under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada”;

“**Retention Bonus**” has the meaning ascribed thereto under Section 10 of the Circular, “Agreements, Commitments or Understandings — Employment Agreement with Raymond Stone”;

“**RS Employment Agreement**” means the employment agreement dated October 24, 2011 between Raymond Stone and the Offeror;

“**RS Non-Competition Agreement**” means the non-competition agreement dated October 24, 2011 between Raymond Stone and the Offeror;

“**Securities Act**” means the *Securities Act* (Ontario), as amended from time to time;

“**Securities Laws**” means the Securities Act and all other applicable provincial securities laws and applicable securities laws of the United States and the states thereof, and the rules and regulations and published policies of the Securities Regulatory Authorities thereunder in Canada and includes the rules and policies of the TSX;

“**Securities Regulatory Authorities**” means the applicable securities commission or regulatory authority in each province of Canada, including the TSX, and in the United States;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Shareholder Rights**” means the rights issued under the Shareholder Rights Plan;

“**Shareholder Rights Plan**” means the shareholder rights plan agreement entered into between Futuremed and CIBC Mellon Trust Company, as rights agent, made effective as of January 1, 2011;

“**Shareholders**” means the holders of Common Shares, and “**Shareholder**” means any one of them;

“**Special Shares**” has the meaning ascribed thereto under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Subsequent Acquisition Transaction”;

“**Subsequent Acquisition Transaction**” has the meaning ascribed thereto under Section 16 of the Circular, “Acquisition of Common Shares Not Deposited Under the Offer — Subsequent Acquisition Transaction”;

“**subsidiary**” has the meaning set forth in National Instrument 45-106 — *Prospectus and Registration Exemptions*, as in effect on the date of the Support Agreement;

“**Superior Proposal**” has the meaning ascribed thereto under Section 4 of the Circular, “Description of the Support Agreement — Non-Solicitations Obligation and Superior Proposal”;

“**Support Agreement**” means the support agreement dated October 24, 2011 among Cardinal Health, the Offeror and the Company;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**taxable capital gain**” has the meaning ascribed thereto under Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Sale Pursuant to the Offer”;

“**Term**” has the meaning ascribed thereto under Section 10 of the Circular, “Agreements, Commitments or Understandings — Employment Agreement with Raymond Stone”;

“**Termination Fee**” has the meaning ascribed thereto under Section 4 of the Circular, “Description of the Support Agreement — Termination Fee”;

“**TIN**” has the meaning ascribed thereto under Section 3 of the Offer, “Manner of Acceptance — United States Federal Backup Withholding”;

“**Transactions**” means the transactions contemplated by the Offer, and any Subsequent Acquisition Transaction or Compulsory Acquisition;

“**TSX**” means the Toronto Stock Exchange;

“**United States**” or “**U.S.**” or “**U.S.A.**” means the United States of America, its territories and possessions, and any State of the United States; and

“**U.S. Shareholder**” has the meaning ascribed thereto under Section 3 of the Offer, “Manner of Acceptance — United States Federal Backup Withholding”.

SUMMARY

The following is a summary only and is qualified in its entirety by the detailed provisions contained elsewhere in the Offer and the Circular. Shareholders are urged to read the Offer and the Circular in their entirety. Capitalized terms used in this summary, where not otherwise defined herein, are defined in the Section entitled "Definitions".

Unless otherwise indicated, the information concerning the Company contained herein and in the Offer and Circular has been taken from or is based upon publicly available documents or records of the Company on file with Securities Regulatory Authorities and other public sources at the time of the Offer, and from the Company. Although the Offeror has no knowledge that would indicate that any statements contained herein relating to the Company taken from or based upon such documents and records are untrue or incomplete, neither Cardinal Health, the Offeror nor any of their respective officers or directors assumes any responsibility for the accuracy or completeness of the information relating to the Company taken from or based upon such documents, records and sources, or for any failure by the Company to disclose events that may have occurred or may affect the significance or accuracy of any such information but that are unknown to the Offeror or Cardinal Health. Unless otherwise indicated, information concerning the Company is given as at November 11, 2011.

The Offer

The Offeror is offering, upon the terms and subject to the conditions of the Offer, to purchase all of the outstanding Common Shares, at a price of \$8.15 per Common Share payable in cash, including any Common Shares issued after the date of the Offer and prior to the Expiry Time on the exercise, exchange or conversion of any securities that are convertible or exchangeable into Common Shares.

The Offer is made only for Common Shares and associated Shareholder Rights only and is not made for any Options or other rights to purchase or receive Common Shares. Futuremed has represented in the Support Agreement that there are no Options issued by Futuremed.

The closing price of the Common Shares on October 24, 2011, the last trading day prior to the announcement of the execution of the Support Agreement and the Offeror's intention to make the Offer, was \$6.20. The Offer Consideration represents a premium of approximately 31% over this closing price. The Offer Consideration also represents a premium of approximately 37% over the volume weighted average trading price of the Common Shares on the TSX for the 20 trading days ending on October 24, 2011.

The obligation of the Offeror to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions including there being validly deposited under the Offer and not withdrawn at the Expiry Time that number of Common Shares which, together with any Common Shares directly or indirectly owned (or over which control or direction is exercised) by the Offeror and its affiliates and joint actors, constitutes at least 66^{2/3}% of the Common Shares outstanding (on a fully diluted basis) at the Expiry Time. The Offeror reserves the right to withdraw or terminate the Offer and not take up and pay for any Common Shares validly deposited under the Offer unless all of the conditions described under "Conditions of the Offer" in Section 4 of the Offer are satisfied or waived by the Offeror at or prior to the Expiry Time. See "Conditions of the Offer" in Section 4 of the Offer for all of the conditions of the Offer.

The Offer is not being made or directed to, nor will deposits of Common Shares be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror or its agents may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

See "The Offer" in Section 1 of the Offer.

Recommendation of the Futuremed Board of Directors

The Futuremed Board of Directors has unanimously determined, upon the recommendation of a special committee of independent directors, and after consultation with the Company's financial and legal advisors and receipt of a fairness opinion from CIBC, that it is in the best interests of the Company to support and facilitate the Offer, enter into the Support Agreement and recommend that Shareholders deposit their Common Shares to the Offer. For further information, see the Directors' Circular accompanying this Offer and the Circular. See "Offeror's Reasons to Accept the Offer — Unanimous Recommendation of Futuremed Board of Directors" in Section 6 of the Circular.

The Offeror and Cardinal Health

Cardinal Health is a global healthcare services company providing products and services that help hospitals, physician offices and pharmacies reduce costs, improve safety and productivity, and deliver better care to patients. Cardinal Health is an essential link in the healthcare supply chain, providing pharmaceuticals and medical products to more than 60,000 locations each day. It also is a leading manufacturer of medical and surgical products, including gloves, surgical apparel and fluid management products. In addition, Cardinal Health supports the growing diagnostic industry by supplying medical products to clinical laboratories and operating the United States' largest network of radiopharmacies that dispense products to aid in the early diagnosis and treatment of disease.

The Offeror was incorporated under the CBCA and was acquired by Cardinal Health in November of 2005. On July 1, 2010, it amalgamated with Cardinal Health Canada 204, Inc./Cardinal Sante Canada 204, Inc. and is now an indirect wholly-owned subsidiary of Cardinal Health. The Offeror distributes products from over 400 manufacturers to hospitals, surgery centers, laboratories, long-term care facilities and physician offices throughout Canada. The Offeror provides integrated supply chain and logistics solutions that help customers control costs, improve efficiencies and increase effectiveness.

Cardinal Health has guaranteed all of the obligations of the Offeror under the Offer in accordance with the terms of the Support Agreement. See "The Offeror and Cardinal Health" in Section 1 of the Circular.

Futuremed

Futuremed is Canada's leading value-added distributor of consumable nursing home supplies and specialized furniture and equipment to the growing long-term care facilities sector. Futuremed's Common Shares trade on the TSX under the symbol "FMD". More information can be found at www.futuremed.ca.

Futuremed is a reporting issuer or the equivalent in all provinces and territories of Canada and files its continuous disclosure documents with the Securities Regulatory Authorities. Such documents are available under the profile of the Company at www.sedar.com. See "Futuremed" in Section 2 of the Circular.

Support Agreement

The Company has entered into a Support Agreement with Cardinal Health and the Offeror which sets forth, among other things, the terms and conditions upon which the Offer is to be made. Pursuant to the Support Agreement, the Company has agreed to support the Offer and not to solicit competing Alternative Proposals. See "Description of the Support Agreement" in Section 4 of the Circular.

Permitted Dividends

Other than quarterly cash dividends in the ordinary course consistent with past practice of no more than \$0.16875 per Common Share per quarter (being Permitted Dividends), the Company has agreed to not, directly or indirectly, set aside or pay any dividend or other distribution (whether in stock, cash or property or any combination thereof).

Lock-Up Agreements

The Offeror is also party to Lock-Up Agreements pursuant to which the Locked-Up Parties have agreed to support the Offer and irrevocably to accept the Offer and deposit or cause to be deposited under the Offer and not withdraw, subject to certain exceptions, all of the Common Shares beneficially owned or acquired by the respective Locked-Up Party. The Locked-Up Parties own an aggregate of 769,545 Common Shares, representing approximately 5% of the outstanding Common Shares. See “Agreements, Commitments or Understandings — Lock-Up Agreements” in Section 10 of the Circular.

Agreements with Raymond Stone

Contemporaneously with the execution of the Support Agreement, the Offeror and Raymond Stone entered into the RS Employment Agreement and the RS Non-Competition Agreement, with both agreements becoming effective as of the Effective Time. The RS Employment Agreement outlines Mr. Stone’s position and responsibilities and sets out the term of his employment and other matters such as compensation, benefits, vacation, termination, restrictive covenants and confidentiality obligations. The RS Non-Competition Agreement set out Mr. Stone’s non-competition, non-solicitation, and non-interference obligations. See “Agreements, Commitments or Understandings” in Section 10 of the Circular.

Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire beneficial ownership of all of the outstanding Common Shares of the Company. If the Offeror takes up and pays for the Common Shares validly deposited and not properly withdrawn under the Offer, the Offeror is obligated under the Support Agreement to acquire, subject to the terms and conditions thereof, any Common Shares not deposited under the Offer by way of a Compulsory Acquisition or a Subsequent Acquisition Transaction, in each case, for consideration per Common Share equal in value to and in the same form as the Offer Consideration. Neither Cardinal Health nor the Offeror currently owns any Common Shares.

See “Purpose of the Offer” in Section 5 of the Circular and “Acquisition of Common Shares Not Deposited Under the Offer” in Section 16 of the Circular.

Time for Acceptance

The Offer is open for acceptance until 8:00 p.m. (Eastern Time) on December 20, 2011, or such later time or times and date or dates to which the Offer may be extended in compliance with applicable laws and the Support Agreement, unless the Offer is withdrawn in accordance with its terms by the Offeror. See “Time for Acceptance” in Section 2 of the Offer.

Manner of Acceptance

The Offer may be accepted by a Shareholder delivering, to the Depositary, at its office in Toronto, Ontario, the certificate(s) representing such Shareholder’s Common Shares, together with a properly completed and executed Letter of Transmittal (printed on **YELLOW** paper), and all other required documents at or prior to the Expiry Time. Detailed instructions are contained in the Letter of Transmittal which accompanies the Offer. See “Manner of Acceptance — Letter of Transmittal” in Section 3 of the Offer.

If a Shareholder wishes to deposit Common Shares pursuant to the Offer and the certificate(s) representing such Shareholder’s Common Shares is (are) not immediately available, or if the certificate(s) and all other required documents cannot be provided to the Depositary at or prior to the Expiry Time, those Common Shares may nevertheless be deposited pursuant to the Offer, provided that all of the following conditions are met: (a) such deposit is made by or through an Eligible Institution; (b) a properly completed and duly executed Notice

of Guaranteed Delivery (printed on **PINK** paper) in the form accompanying the Offer and the Circular (or a manually signed facsimile copy thereof) is received by the Depositary prior to the Expiry Time at its Toronto, Ontario office listed in the Notice of Guaranteed Delivery; and (c) the certificate(s) representing all deposited Common Shares, together with a properly completed and duly executed Letter of Transmittal relating to the Common Shares, with signatures guaranteed if so required, are received by the Depositary at its office in Toronto, Ontario listed in the Letter of Transmittal prior to 5:00 p.m. (Eastern Time) on the third trading day on the TSX after the Expiry Time.

Shareholders whose Common Shares are registered in the name of an investment dealer, stockbroker, bank, trust company or other nominee should contact that nominee for assistance in depositing their Common Shares.

Shareholders may also accept the Offer by following the procedures for book-entry transfer established by CDS, provided that a book-entry confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario prior to the Expiry Time.

No fee or commission will be payable by any Shareholder who transmits such Shareholders' Common Shares directly to the Depositary. However, a broker or nominee through whom you own Common Shares may charge a fee to tender Common Shares on your behalf. You should consult your broker or nominee to determine whether any charges will apply.

See "Manner of Acceptance" in Section 3 of the Offer.

Withdrawal of the Deposited Common Shares

Common Shares deposited under the Offer may be withdrawn by or on behalf of the depositing Shareholder at any time: (a) before Common Shares deposited under the Offer have been taken up by the Offeror under the Offer; (b) if the Common Shares have not been paid for by the Offeror within three (3) Business Days after having been taken up; and (c) in certain other circumstances. See "Right to Withdraw Deposited Common Shares" in Section 7 of the Offer.

Take-Up of and Payment for Deposited Common Shares

If all the conditions referred to under "Conditions of the Offer" in Section 4 of the Offer, have been fulfilled or waived prior to the Expiry Time, the Offeror will become obligated to take up and pay and will take up and pay for Common Shares validly deposited under the Offer and not properly withdrawn as soon as reasonably possible, but in any event not later than three (3) Business Days following the time at which it becomes entitled to take up such Common Shares under the Offer. Any Common Shares deposited to the Offer after the first date on which Common Shares have been taken up by the Offeror will be taken up and paid for within ten (10) days of such deposit. See "Take-Up of and Payment for Deposited Common Shares" in Section 6 of the Offer.

Stock Exchange Listing and Market Prices of Common Shares

The Common Shares are listed for trading on the TSX under the stock symbol "FMD". **The closing price of the Common Shares on October 24, 2011, the last trading day prior to the announcement of the execution of the Support Agreement and the Offeror's intention to make the Offer, was \$6.20. The Offer Consideration represents a premium of approximately 31% over this closing price. The Offer Consideration also represents a premium of approximately 37% over the volume weighted average trading price of the Common Shares on the TSX for the 20 trading days ending on October 24, 2011.**

Acquisition of Common Shares Not Deposited Under the Offer

If the Offeror takes up and pays for Common Shares validly deposited under the Offer, subject to the terms of the Support Agreement, the Offeror is obligated to take such action as is necessary, including effecting a Compulsory Acquisition of those Common Shares not deposited under the Offer, or causing a special meeting of Shareholders to be called to consider an amalgamation, statutory arrangement, amendment to articles, consolidation, capital reorganization or other transaction involving Futuremed and the Offeror, or an affiliate of the Offeror, for the purpose of enabling the Offeror or an affiliate of the Offeror to acquire all Common Shares not acquired pursuant to the Offer. The value of the consideration offered per Common Share under any Subsequent Acquisition Transaction proposed by the Offeror would be equal in value to and in the same form as the Offer Consideration. See “Acquisition of Common Shares Not Deposited Under the Offer” in Section 16 of the Circular.

Certain Canadian Federal Income Tax Considerations

In general, a Resident Shareholder who holds Common Shares as capital property and who sells such Common Shares to the Offeror under the Offer, will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such Common Shares.

A Non-Resident Shareholder generally will not be subject to Canadian income tax on any gain realized on a disposition of Common Shares to the Offeror under the Offer unless those Common Shares constitute “taxable Canadian property” within the meaning of the Tax Act and the gain is not otherwise exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax treaty or convention.

The foregoing is a brief summary of certain Canadian federal income tax consequences only and is qualified by the more detailed general description of Canadian federal income tax considerations under “Certain Canadian Federal Income Tax Considerations” in Section 17 of the Circular. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Common Shares pursuant to the Offer or a Compulsory Acquisition or a disposition of Common Shares pursuant to any Subsequent Acquisition Transaction.

See “Certain Canadian Federal Income Tax Considerations” in Section 17 of the Circular.

Depository and Information Agent

The Offeror has engaged CIBC Mellon Trust Company to act as the Depository to receive deposits of certificates representing Common Shares and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario. In addition, the Depository will receive Notices of Guaranteed Delivery at its office in Toronto, Ontario and the Depository will also be responsible for giving certain notices, if required, and for making payment for all Common Shares purchased by the Offeror under the Offer and will be responsible for facilitating book-entry transfers of Common Shares pursuant to the Offer. The Depository will receive reasonable and customary compensation from the Offeror for services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses.

Georgeson Inc. has been retained by the Offeror to act as the Information Agent in connection with the Offer, and may contact Shareholders by mail, telephone, teletype or in person. Questions and requests for information may be directed to the Information Agent at 199 Water Street, 26th Floor, New York, NY, 10038, 1-866-856-4733.

OFFER

The accompanying Circular; which is incorporated into and forms part of the Offer; contains important information that should be read carefully before making a decision with respect to the Offer.

Capitalized terms used in this Offer, where not otherwise defined herein, are defined in the Section entitled "Definitions".

November 14, 2011

TO SHAREHOLDERS OF FUTUREMED HEALTHCARE PRODUCTS CORPORATION

1. The Offer

The Offeror hereby offers to purchase, on and subject to the following terms and conditions, all of the issued and outstanding Common Shares, together with all associated Shareholder Rights issued to the Shareholders pursuant to the Shareholder Rights Plan. No additional payment will be made for the Shareholder Rights and no part of the consideration to be paid by the Offeror for the Common Shares will be allocated to the Shareholder Rights. The Offeror is an indirect wholly-owned subsidiary of Cardinal Health.

The Offer is made only for Common Shares and associated Shareholder Rights only and is not made for any Options or other rights to purchase or receive Common Shares. Futuremed has represented in the Support Agreement that there are no outstanding Options issued by Futuremed.

The closing price of the Common Shares on October 24, 2011, the last trading day prior to the announcement of the execution of the Support Agreement and the Offeror's intention to make the Offer, was \$6.20. The Offer Consideration represents a premium of approximately 31% over this closing price. The Offer Consideration also represents a premium of approximately 37% over the volume weighted average trading price of the Common Shares on the TSX for the 20 trading days ending on October 24, 2011.

Shareholders who deposit their Common Shares under the Offer will not be entitled to any dissent or appraisal rights. However, any Shareholders who dissent from a Compulsory Acquisition or Subsequent Acquisition Transaction will have certain rights to seek a judicial determination of the fair value of their Common Shares. See "Acquisition of Common Shares not Deposited Under the Offer" in Section 16 of the Circular.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary. Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance in depositing their Common Shares.

The Futuremed Board of Directors has unanimously determined, upon the recommendation of a special committee of independent directors, and after consultation with the Company's financial and legal advisors and receipt of a fairness opinion from CIBC, that it is in the best interests of the Company to support and facilitate the Offer, enter into the Support Agreement and recommend that Shareholders deposit their Common Shares to the Offer. For further information, see the Directors' Circular of the Company accompanying this Offer and the Circular.

Futuremed has entered into the Support Agreement with Cardinal Health and the Offeror with respect to the Offer. See "Description of the Support Agreement" in Section 4 of the Circular.

2. Time for Acceptance

The Offer is open for acceptance until 8:00 p.m. (Eastern Time) on December 20, 2011, or such later time or times and date or dates to which the Offer may be extended in compliance with applicable laws and the Support Agreement, unless the Offer is withdrawn in accordance with its terms by the Offeror. See “Extension, Variation or Change in the Offer” in Section 5 of the Offer. No Common Shares will be taken up and paid for pursuant to this Offer prior to the Expiry Time.

3. Manner of Acceptance

Letter of Transmittal

This Offer may be accepted by delivering to the Depositary at its offices in Toronto, Ontario, so as to be received prior to the Expiry Time:

- (a) the certificate or certificates representing the Common Shares in respect of which this Offer is being accepted;
- (b) a Letter of Transmittal (printed on **YELLOW** paper) in the accompanying form, properly completed and executed as required by the instructions set out in the Letter of Transmittal; and
- (c) any other documents specified in the instructions set out in the Letter of Transmittal.

Shareholders will not be required to pay any fee or commission if they accept this Offer by depositing their Common Shares directly with the Depositary. However, a broker or other nominee through whom a Shareholder owns Common Shares may charge a fee to tender Common Shares on behalf of the Shareholder. Shareholders should consult their brokers or nominees to determine whether any charges will apply.

This Offer will be deemed to be accepted only if the Depositary has actually received these documents at or prior to the Expiry Time. Except as otherwise provided in the instructions and rules set out in the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder of the certificate(s) deposited therewith, or if the cash payable is to be delivered to a person other than the registered owner, the certificate(s) must be endorsed, or be accompanied by an appropriate share transfer power of attorney, in either case, duly and properly completed by the registered holder, with the signature on the endorsement panel or share transfer power of attorney guaranteed by an Eligible Institution.

If a share certificate has been lost or destroyed, the Letter of Transmittal should be completed as fully as possible and forwarded together with a letter describing the loss and a contact telephone number, to the Depositary at its offices in Toronto, Ontario. The Depositary will forward such letter to Futuremed’s registrar and transfer agent so that the transfer agent may provide replacement instructions.

If a share certificate has been lost or destroyed, the foregoing action must be taken sufficiently in advance of the Expiry Time in order to obtain a replacement certificate in sufficient time to permit the replacement certificate to be tendered to the Offer prior to the Expiry Time.

Shareholders who cannot comply on a timely basis with these procedures for deposit of the requisite certificates for Common Shares at or prior to the Expiry Time may deposit certificates representing Common Shares pursuant to the procedures set forth below under the heading “Procedure for Guaranteed Delivery”.

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Common Shares under this Offer and (a) the certificate(s) representing the Common Shares is (are) not immediately available or (b) the certificate(s) and all other required documents cannot be delivered to the Depository prior to the Expiry Time, those Common Shares may nevertheless be deposited under this Offer, provided that all of the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution;
- (b) a properly completed and duly executed Notice of Guaranteed Delivery (printed on **PINK** paper) in the form accompanying this Offer (or a manually signed facsimile copy thereof), together with a guarantee to deliver by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depository prior to the Expiry Time at its office in Toronto, Ontario; and
- (c) the certificate(s) representing the Deposited Common Shares, in proper form for transfer, together with a Letter of Transmittal, properly completed and executed, and all other documents required by the Letter of Transmittal, are received by the Depository prior to 5:00 p.m. (Eastern Time) on the third trading day on the TSX after the Expiry Time. To constitute delivery for the purpose of satisfying a guaranteed delivery, the Letter of Transmittal and accompanying share certificate(s) must be delivered to the Depository at its office in Toronto, Ontario.

The Notice of Guaranteed Delivery may be delivered by hand or courier or transmitted by facsimile transmission or mail to the Depository at its office in Toronto, Ontario and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificates and other required documents to any office other than the Toronto, Ontario office of the Depository does not constitute delivery for purposes of satisfying the guaranteed delivery.

Method of Delivery

The method of delivery of the certificate(s) representing Common Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing those documents. The Offeror recommends that those documents be delivered by hand to the Depository and that a receipt be obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depository prior to the Expiry Time. Delivery will only be effective upon actual receipt by the Depository.

Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact that nominee for assistance in depositing their Common Shares.

Acceptance by Book-Entry Transfer

Shareholders may accept this Offer by following the procedures for a book-entry transfer established by CDS, provided that a book-entry confirmation through CDSX is received by the Depository at its office in Toronto, Ontario prior to the Expiry Time. The Depository has established an account at CDS for the purpose of this Offer. Any financial institution that is a participant in CDS may cause CDS to make a book-entry transfer of a Shareholders' Common Shares held by the participant into the Depository's account in accordance with CDS procedures for such transfer. Delivery of Common Shares to the Depository by means of a book-entry transfer will constitute a valid tender under this Offer.

Shareholders, through their respective CDS participants, who utilize CDSX to accept this Offer through a book-entry transfer of their holdings into the Depository's account with CDS shall be deemed to have completed

and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such Common Shares received by the Depositary are considered a valid tender in accordance with the terms of this Offer.

Shareholders who wish to accept the Offer by book-entry transfer should contact the Depositary for assistance. Contact details for the Depositary may be found on the last page of this document.

General

In all cases, payment for the Common Shares deposited and taken up by the Offeror pursuant to the Offer will be made only after timely receipt by the Depositary of certificates representing the Common Shares (or a confirmation of a book-entry transfer of the Common Shares), a Letter of Transmittal properly completed and signed covering the Common Shares with the signatures guaranteed in accordance with the instructions set out therein (or, in the case of Common Shares deposited by book-entry transfer, the making of the book-entry transfer into the Depositary's account with CDS), and any other required documents.

The method of delivery of certificate(s) representing Common Shares, the Letter of Transmittal and all other required documents is at the option and risk of the person depositing those documents. The Offeror recommends that those documents be delivered by hand to the Depositary and a receipt obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depositary before the Expiry Time. Delivery will only be effective upon actual receipt by the Depositary.

Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact immediately that nominee if they wish to accept the Offer.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance and withdrawal of Common Shares deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which it determines not to be in proper form or which may be unlawful to accept under the laws of any jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in the deposit or withdrawal of any Common Shares. There shall be no duty or obligation of the Offeror, the Depositary or any other person to give notice of any defects or irregularities in any deposit or withdrawal and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery will be final and binding.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Dividends and Distributions

Subject to the terms and conditions of the Offer and subject, in particular, to Common Shares being validly withdrawn by or on behalf of a depositing Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set forth above, a Shareholder deposits, sells, assigns and transfers to the Offeror, effective from and after the Effective Time, all right, title and interest in and to the Common Shares covered by the Letter of Transmittal delivered to the Depositary or book-entry transfer (collectively, the "**Deposited Common Shares**") and in and to all rights and benefits arising from such Deposited Common Shares including, without limitation, any and all dividends (other than Permitted Dividends having a record date for determination of shareholders entitled to such dividends that is prior to the date on which the Effective Time occurs), distributions, payments, securities, property or other interests which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Common Shares or any of them on and after the

date of the Offer, other than any cash dividend, distribution or payment in respect of which a reduction in the Offer Consideration is made pursuant to the provisions of “Changes in Capitalization; Liens; Dividends and Distributions” in Section 10 of the Offer, but including any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, “**Distributions**”).

Power of Attorney

The execution of a Letter of Transmittal (or, in the case of Common Shares deposited by book-entry transfer, the making of the book-entry transfer into the Depository’s account with CDS) irrevocably approves, constitutes and appoints the Offeror and any other person designated by the Offeror in writing as the true and lawful agent, attorney, attorney-in-fact and proxy of the Shareholder delivering the Letter of Transmittal (or, in the case of a Shareholder depositing Common Shares by book-entry transfer into the Depository’s account with CDS who is deemed to have completed and submitted a Letter of Transmittal, such Shareholder) with respect to (i) the Deposited Common Shares; and (ii) any and all Distributions (which for greater certainty excludes Permitted Dividends having a record date for determination of shareholders entitled to such dividends that is prior to the date on which the Effective Time occurs) which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Common Shares on or after the date of the Offer (other than any cash dividend, distribution or payment in respect of which a reduction in the Offer Consideration is made pursuant to the provisions of “Changes in Capitalization; Liens; Dividends and Distributions” in Section 10 of the Offer), effective from and after the time that the Offeror shall have first acquired ownership of and paid for the Deposited Common Shares pursuant to the terms of the Offer (the “**Effective Time**”), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), in the name of and on behalf of such Shareholder subject to the Shareholder’s right to withdraw Deposited Common Shares:

- (a) to register or record the transfer and/or cancellation of such Deposited Common Shares and Distributions consisting of securities on the appropriate register maintained by the Company or its transfer agent;
- (b) for so long as any Deposited Common Shares are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder including to vote any or all Deposited Common Shares, to execute and deliver any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Deposited Common Shares and Distributions, to revoke any such instrument, authorization or consent given prior to or after the Effective Time, to designate in such instrument, authorization or consent and/or designate in any such instruments of proxy any person or persons as the proxy of such Shareholder in respect of the Deposited Common Shares and Distributions for all purposes including in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournment thereof, including any meeting to consider a Subsequent Acquisition Transaction) of holders of securities of the Company or any other issuer, as applicable other than the right to vote any or all Deposited Common Shares with respect to the appointment of auditors and the election of directors at a meeting of Shareholders;
- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing Distributions that may be payable to or to the order of, or endorsed in favour of, such Shareholder and/or designate in any such instruments of proxy any person(s) as the proxy or the proxy nominee(s) of the Shareholder in respect of such Distributions for all purposes; and
- (d) to exercise any other rights of a holder of Deposited Common Shares and Distributions with respect to such Deposited Common Shares and Distributions.

A Shareholder accepting the Offer (including a Shareholder that accepts the Offer by making a book-entry transfer into the Depository’s account with CDS who is deemed to have completed and submitted a Letter of Transmittal) agrees not to vote any of the Deposited Common Shares and/or Distributions at any meeting

(whether annual, special or otherwise, or any adjournments thereof, including any meeting to consider a Subsequent Acquisition Transaction) of holders of securities of the Company or any other issuer, as applicable and not to exercise any of the other rights or privileges attached to the Deposited Common Shares and/or Distributions, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of the Deposited Common Shares and/or Distributions, and to appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy of the holder of the Deposited Common Shares and/ or Distributions. Upon such appointment, all prior proxies and other authorizations (including all appointments of any agent, attorney or attorney in fact) or consents given by the holder of such Deposited Common Shares and/or Distributions with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto unless the Deposited Common Shares are not taken up and paid for under the Offer or are withdrawn in accordance with “Right to Withdraw Deposited Common Shares” in Section 7 of the Offer.

Further Assurances

A Shareholder accepting the Offer (including a Shareholder that accepts the Offer by making a book-entry transfer into the Depository’s account with CDS who is deemed to have completed and submitted a Letter of Transmittal) covenants under the terms of the Letter of Transmittal to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Deposited Common Shares and any Distributions to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred is, to the maximum extent permitted by law, irrevocable and may be exercised during any subsequent legal incapacity of such holder and shall, to the maximum extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such holder.

United States Federal Backup Withholding

To ensure compliance with Internal Revenue Service Circular 230, Shareholders are hereby notified that any discussion of tax matters set forth in this Offer was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any person, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each Shareholder is encouraged to seek advice based on its particular circumstances from an independent tax advisor.

Under current U.S. federal income tax law, the Depository (as payer) may be required to withhold a U.S. tax from the amount of any payments made pursuant to this Offer. In order to avoid this “backup withholding tax” on payments of the Offer Consideration for Common Shares purchased pursuant to this Offer, each registered Shareholder (other than a corporation) that is a *United States person* as defined for United States federal income tax purposes (a “**U.S. Shareholder**”) must provide the Depository with his correct taxpayer identification number (“**TIN**”) by completing the Substitute IRS Form W-9 contained in the Letter of Transmittal and by certifying, under penalties of perjury, that such number is correct and that such registered Shareholder is not subject to backup withholding, or otherwise establish an exemption from the backup withholding rules. If a U.S. Shareholder does not provide its correct TIN or fails to provide the certification described above, the U.S. Shareholder may be subject to a US\$50 penalty imposed by the IRS, and any reportable payments made to such person with respect to the Common Shares may be subject to backup withholding at the applicable rate (which is currently imposed at a rate of 28%). Such reportable payments generally will be subject to information reporting, even if the Depository is provided with a TIN.

Backup withholding is not an additional tax. Rather, the United States federal income tax liability of persons subject to backup withholding will be reduced by the amount of backup withholding tax withheld. If backup withholding results in an overpayment of taxes, a refund may generally be obtained, provided the required information is timely furnished to the IRS.

Depositing Shareholders' Representations and Warranties

The deposit of Common Shares pursuant to the procedures herein will constitute a binding agreement between the depositing Shareholder and the Offeror upon the terms and subject to the conditions of the Offer, including the depositing Shareholder's representation and warranty that: (i) such Shareholder has full power and authority to deposit, sell, assign and transfer the Deposited Common Shares (and any Distributions); (ii) the Deposited Common Shares (and any Distributions) have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any such Deposited Common Shares (or Distributions) to any other person; (iii) the deposit of such Deposited Common Shares (and any Distributions) complies with applicable laws; and (iv) when such Deposited Common Shares are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Distributions) free and clear of all Liens.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set forth in this Section 3.

4. Conditions of the Offer

Subject to the terms of the Support Agreement, the Offeror shall have the right to withdraw the Offer and shall not be required to take up, purchase or pay for, and shall have the right to extend the period of time during which the Offer is open and postpone taking up and paying for, any Common Shares deposited under the Offer unless all of the following conditions are satisfied or waived by the Offeror at or prior to the Expiry Time:

- (a) there shall have been validly deposited under the Offer and not withdrawn as at the Expiry Time, such number of Common Shares that, together with any Common Shares directly or indirectly owned (or over which control or direction is exercised) by the Offeror and its affiliates and joint actors, represent at least 66 $\frac{2}{3}$ % of the Common Shares (calculated on a fully diluted basis);
- (b) the Support Agreement shall not have been terminated pursuant to Section 9.1 thereof;
- (c) no Options are outstanding;
- (d) the Shareholder Rights Plan shall have been waived by the Future Board of Directors or otherwise terminated so as to have no effect in respect of the Transactions or any acquisition of securities of the Company by the Offeror or its affiliates pursuant to the Transactions;
- (e) the Company shall have performed its obligations or covenants in all material respects when required to be performed by it under the Support Agreement;
- (f) each of the representations and warranties of the Company provided in the Support Agreement (without giving effect to any "Material Adverse Effect" qualifications or other materiality qualifications therein) shall be true and correct at and as of immediately prior to the Expiry Time as if made at and as of such time (other than such representations and warranties that by their terms address matters only as of another specified time, which shall be true and correct only as of such time), except to the extent that any such breach(es) would not individually or in the aggregate result in a Material Adverse Effect;
- (g) there has not occurred any Material Adverse Effect since (i) the date of the Support Agreement or (ii) prior to the date of the Support Agreement that has not previously been disclosed to the Offeror in writing or in the Public Disclosure Record, excluding any forward looking disclosure in such documents;
- (h) there shall not be in effect as at the Expiry Time, any cease trade order, injunction or other prohibition under applicable laws which prohibits or makes illegal the taking up and paying for any Common Shares deposited under the Offer or the completion of the Transactions;
- (i) (A) no act, action, suit, investigation or proceeding shall have been taken or threatened in writing or be pending before or by any Governmental Authority or private person or entity, or group

thereof (which, in the case of a private person or entity or group thereof, the Offeror reasonably believes is likely to succeed); and (B) no law shall have been proposed, enacted, entered, promulgated, amended or applied, in either case, unless the same is acceptable to the Offeror in its sole discretion:

- (i) challenging the validity of the Offer or the Offeror's ability to maintain the Offer;
 - (ii) which has the effect, directly or indirectly, of cease trading, making illegal, enjoining, prohibiting, preventing, restraining or imposing material limitations or conditions on: (A) the making or consummation of the Offer; (B) the take-up or acquisition by, or the sale to, the Offeror of Common Shares; (C) the ability of the Offeror to acquire, own or hold, or exercise full rights of ownership in respect of the Common Shares; or (D) the ability of the Offeror and its affiliates to complete any Compulsory Acquisition or Subsequent Acquisition Transaction;
 - (iii) which, if the Offer and the Transactions were consummated, would reasonably be expected to result in a Material Adverse Effect;
 - (iv) which seeks to compel the Offeror or its affiliates to dispose of or hold separate any material portion of the business or assets of the Company or any of its affiliates; or
 - (v) which seeks to obtain from the Offeror or the Company or any of their respective affiliates any material damages, fees, levies or penalties directly or indirectly in connection with the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction; and
- (j) either (x) the issuance to the Offeror of an advance ruling certificate by the Competition Commissioner under subsection 102(1) of the Competition Act to the effect that the Competition Commissioner is satisfied that she or he would not have sufficient grounds upon which to apply to the Competition Tribunal for an order under Section 92 of the Competition Act with respect to the Transactions or (y) both of (A) the waiting period, including any extension thereof, under Section 123 of the Competition Act shall have expired or been terminated or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived in accordance with paragraph 113(c) of the Competition Act, and (B) the Offeror shall have been advised in writing by the Competition Commissioner that she or he does not, at the time of the advice, intend to make an application under Section 92 of the Competition Act in respect of the Transactions, shall have occurred (the conditions in this paragraph (j) referred to as the "**Competition Act Approval**").

The foregoing conditions are for the sole benefit of the Offeror and may be asserted by the Offeror at any time. Subject to the terms of the Support Agreement, the Offeror may, subject to certain exceptions, in its sole discretion, waive any of the foregoing conditions, other than (a) and, to the extent that the applicable waiting periods under Part IX of the Competition Act have not expired or been waived or terminated or any applicable timing agreement has not expired or been terminated, (j) above, in whole or in part at any time and from time to time, both before and after the relevant Expiry Time, without prejudice to any other rights which the Offeror may have.

Any waiver of a condition or the termination or withdrawal of the Offer shall be effective upon written notice (or other communication confirmed in writing) being given by the Offeror to that effect to the Depositary at its principal office in Toronto, Ontario. The Offeror, forthwith after giving any such notice, will make a public announcement of such waiver or withdrawal and, to the extent required by applicable law, cause the Depositary as soon as is practicable thereafter to notify Shareholders in the manner set forth under "Notice and Delivery" in Section 11 of the Offer. If the Offer is withdrawn, the Offeror shall not be obligated to take up, accept for payment or pay for any Common Shares deposited under the Offer, and the Depositary will promptly return all certificates for deposited Common Shares and Letters of Transmittal, Notices of Guaranteed Delivery and related documents in its possession to the parties by whom they were deposited.

5. Extension, Variation or Change in the Offer

The Offer is open for acceptance until the Expiry Time, unless the Offer is withdrawn or the Offer Period is extended.

Subject as hereinafter described, the Offeror may, in its sole discretion, at any time and from time to time, extend the Expiry Time to a date not later than the Outside Date or vary the Offer, in accordance with applicable laws, by giving written notice (or other communication subsequently confirmed in writing) of such extension or variation to the Depositary at its principal office in Toronto, Ontario. Upon the giving of such notice or other communication extending the Expiry Time, the Expiry Time shall be, and be deemed to be, so extended. The Offeror, as soon as practicable thereafter, will cause the Depositary to provide a copy of the notice, in the manner set forth under “Notice and Delivery” in Section 11 of the Offer, to all registered holders of Common Shares whose Common Shares have not been taken up at the date of the extension or variation. The Offeror shall, as soon as practicable after giving notice of an extension or variation to the Depositary, make a public announcement of the extension or variation to the extent and in the manner required by applicable law. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

In the event that the Company is in compliance with its obligations in connection with Competition Law matters and the Competition Act Approval is not obtained prior to the Expiry Time, unless such approval has been denied and the Offeror has complied with its obligations in connection with Competition Law matters, the Offeror has agreed to extend the Offer, from time to time, provided that no single extension shall be for more than thirty (30) days in duration and provided further that in no event shall the Offeror be required to extend the Expiry Time later than the Outside Date. Notwithstanding the foregoing, in the event that the Competition Act Approval is received within ten (10) days of the Expiry Date and all other conditions to the Offer, except for the Minimum Tender Condition, have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror has agreed to extend the Offer for a period of not less than ten (10) days and, if applicable, the Outside Date will be extended accordingly.

An extension of the Expiry Time will not, in and of itself, constitute a waiver by the Offeror of any of its rights under “Conditions of the Offer” in Section 4 of the Offer.

The Support Agreement and the Lock-Up Agreements restrict the Offeror’s ability to amend certain of the terms and conditions of the Offer without the prior written consent of Futuremed and, in some cases, certain Locked-Up Parties. Under the Support Agreement, it has been agreed that the Offeror will not, without the prior written consent of the Company, (i) change or waive the Minimum Tender Condition, (ii) decrease the amount of or change the form of consideration per Common Share, (iii) decrease the number of Common Shares in respect of which the Offer is made, (iv) add any other condition not set forth in the Support Agreement or vary a condition of the Offer in a manner which is adverse to the Company or Shareholders. Under the Lock-Up Agreements, it has been agreed that the Offeror will not, without prior written consent of the Locked-Up Parties, (i) decrease the amount of consideration or change the form of consideration per Common Share; or (ii) decrease the number of Common Shares in respect of which the Offer is made; provided that, for greater certainty, the Offeror may increase the total consideration per Common Share and/or add additional consideration per Common Share. See “Agreements, Commitments or Understanding — Support Agreement” and “Agreements, Commitments or Understandings — Lock Up Agreements” in Section 10 of the Circular.

Where the terms of the Offer are varied (except a variation consisting solely of the waiver of a condition), the Offer Period will not expire before ten (10) days after the notice of change or variation has been given to Shareholders, unless otherwise permitted by applicable law and subject to abridgement or elimination of the Offer Period pursuant to such orders as may be granted by any Governmental Authorities.

If, before the Expiry Time, or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, as amended from

time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary at its principal office in Toronto, Ontario and will cause the Depositary to provide as soon as practicable thereafter a copy of such notice in the manner set forth under “Notice and Delivery” in Section 11 of the Offer, to all Shareholders whose Common Shares have not been taken up under the Offer at the date of the occurrence of the change, if required by applicable law. As soon as possible after giving notice of a change in information to the Depositary, the Offeror will make a public announcement of the change in information. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

Notwithstanding the foregoing but subject to applicable law, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer (other than those waived by the Offeror) have been fulfilled or complied with, unless the Offeror first takes up all Common Shares then deposited under the Offer and not withdrawn.

During any such extension, or in the event of any variation or change in information, all Common Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms hereof, subject to the provisions set out under “Right to Withdraw Deposited Common Shares” in Section 7 of the Offer. An extension of the Expiry Time, a variation of the Offer or a change in information contained in the Offer or the Circular does not, unless otherwise expressly stated, constitute a waiver by the Offeror of any of its rights set out under “Conditions of the Offer” in Section 4 of the Offer.

If the Offer Consideration is increased, the increased consideration will be paid to all depositing Shareholders whose Common Shares are taken up under the Offer, whether or not such Common Shares were taken up before the increase.

6. Take-Up of and Payment for Deposited Common Shares

If all the conditions referred to under “Conditions of the Offer” in Section 4 of the Offer, have been fulfilled or waived prior to the Expiry Time, the Offeror will become obligated to take up and pay and will take up and pay for Common Shares validly deposited under the Offer and not properly withdrawn as soon as reasonably possible, but in any event not later than three (3) Business Days following the time at which it becomes entitled to take up such Common Shares under the Offer. Any Common Shares deposited to the Offer after the first date on which Common Shares have been taken up by the Offeror will be taken up and paid for within ten (10) days of such deposit.

The Offeror reserves the right, in its sole discretion, to delay taking up or paying for any Common Shares or to terminate or withdraw the Offer and not take up or pay for any Common Shares if any condition specified under “Conditions of the Offer” in Section 4 of the Offer is not satisfied or waived by the Offeror at or prior to the Expiry Time. The Offeror will not, however, take up and pay for any Common Shares deposited under the Offer unless it simultaneously takes up and pays for all Common Shares then validly deposited under the Offer.

For the purposes of the Offer, the Offeror will be deemed to have taken up and accepted for payment Common Shares validly deposited under the Offer and not withdrawn if, as and when the Offeror gives written notice to the Depositary, at its principal office in Toronto, Ontario, to that effect and as required by applicable law.

The Offeror will pay for Common Shares validly deposited under the Offer and not withdrawn by providing the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary) for transmittal to depositing Shareholders. The Depositary will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons. Receipt of payment by the Depositary will be deemed to constitute

receipt of payment by persons depositing Common Shares. Under no circumstances will interest accrue or be paid by the Offeror or the Depositary on the purchase price of the Common Shares purchased by the Offeror, regardless of any delay in making such payment.

All payments will be made in Canadian dollars.

Settlement with each Shareholder who has validly deposited and not withdrawn Common Shares under the Offer will be effected by the Depositary by wire transfer or by forwarding a cheque, payable in Canadian funds, representing the cash payment for such Common Shares to which such Shareholder is entitled. Unless otherwise directed in the Letter of Transmittal, such wire transfer will be sent in accordance with the directions of the registered holder of Deposited Common Shares or such cheque will be issued in the name of the registered holder of Common Shares so deposited. Unless the person who deposits Common Shares instructs the Depositary to hold such cheque for pick-up by checking the appropriate box in the Letter of Transmittal, such cheque will be forwarded by ordinary uninsured (first class) mail to such person at the address specified in the Letter of Transmittal. If no address is specified therein, such cheque will be forwarded to the address of the holder as shown on the share register maintained by the Company or the Company's transfer agent. Cheques mailed in accordance with this paragraph will be deemed to have been delivered at the time of mailing.

Depositing Shareholders will not be obliged to pay brokerage fees or commissions if they accept the Offer by depositing their Common Shares directly with the Depositary. However, a broker or other nominee through whom a Shareholder owns Common Shares may charge a fee to tender Common Shares on behalf of the Shareholder. Shareholders should consult their brokers or nominees to determine whether any charges will apply.

7. Right to Withdraw Deposited Common Shares

Except as specifically provided in this Section 7, all deposits of Common Shares pursuant to the Offer are irrevocable. Unless otherwise required or permitted by applicable law, any Common Shares deposited in acceptance of the Offer may be withdrawn at the place of deposit by or on behalf of the depositing Shareholder:

- (a) at any time when the Common Shares have not been taken up by the Offeror;
- (b) if the Common Shares have not been paid for by the Offeror within three (3) Business Days after having been taken up; or
- (c) at any time prior to the expiration of ten (10) days from the date upon which either:
 - (i) a notice of change relating to a change which has occurred in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or
 - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Common Shares where the Expiry Time is not extended for more than ten (10) days or a variation consisting solely of a waiver of a condition of the Offer),

is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders as may be granted by applicable courts or Securities Regulatory Authorities) and only if such deposited Common Shares have not been taken up by the Offeror in advance of the receipt of such communication by the Depositary.

Withdrawals of Common Shares deposited pursuant to the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Depositary at the place of deposit within the time limits indicated above. Notices of withdrawal: (i) must be made by a method, including

a manually-signed facsimile transmission, that provides the Depository with a written or printed copy; (ii) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying (or Notice of Guaranteed Delivery in respect of) the Common Shares which are to be withdrawn; (iii) must specify such person's name, the number of Common Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the applicable Common Shares to be withdrawn; and (iv) must be actually received by the Depository at the place of deposit of the applicable Common Shares (or Notice of Guaranteed Delivery in respect thereof). Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of Common Shares deposited for the account of an Eligible Institution. The withdrawal will take effect upon actual physical receipt by the Depository of the properly completed and signed written notice of withdrawal.

Alternatively, if Common Shares have been deposited pursuant to the procedures for book-entry transfer, as set forth in "Manner of Acceptance — Acceptance by Book-Entry Transfer" in Section 3 of the Offer, any notice of withdrawal must specify the name and number of the account at CDS to be credited with the withdrawn Common Shares, be signed by or on behalf of the person who signed (or was deemed to have signed) the Letter of Transmittal accompanying (or the Notice of Guaranteed Delivery in respect of) the Common Shares that are to be withdrawn and otherwise comply with the procedures of CDS.

If the Offeror is delayed in taking up or paying for Common Shares or is unable to take up or pay for Common Shares, then, without prejudice to the Offeror's other rights, Common Shares deposited under the Offer may be retained by the Depository on behalf of the Offeror and such Common Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as set forth in this Section 7.

All questions as to the validity (including timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion, and such determination will be final and binding. There will be no obligation on the Offeror, the Depository or any other person to give any notice of any defects or irregularities in any withdrawal and no liability will be incurred by any of them for failure to give any such notice.

A Shareholder's broker or its nominee may set deadlines for the withdrawal of Common Shares deposited to the Offer that are earlier than those specified above. Shareholders should contact their broker or other nominee for assistance.

Any Common Shares withdrawn will be deemed to be not validly deposited for the purposes of the Offer, but may be redeposited subsequently at or prior to the Expiry Time by following the procedures described under "Manner of Acceptance" in Section 3 of the Offer.

In addition to the foregoing rights of withdrawal, Shareholders in certain provinces of Canada are entitled to statutory rights of rescission in certain circumstances. See "Offerees' Statutory Rights" in Section 19 of the Circular.

8. Return of Deposited Common Shares

If any deposited Common Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason, or if certificates are submitted for more Common Shares than are deposited, certificates for unpurchased Common Shares will be returned to the depositing Shareholder as soon as is practicable following the termination of the Offer by either (a) sending new certificates representing Common Shares not purchased or by returning the deposited certificates (and other relevant documents) by ordinary uninsured (first class) mail in the name of and to the address specified by the Shareholder in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the share register maintained by the Company or its transfer agent, as soon as practicable after the termination of the Offer; or (b) in the case of Common Shares deposited by book-entry transfer into the Depository's account with CDS pursuant to the procedures set forth in "Manner of Acceptance — Procedure for Book-Entry Transfer" in Section 3 of the Offer,

such Common Shares will be credited to the depositing holder's account maintained with CDS. Certificates mailed by or on behalf of the Offeror in accordance with this paragraph will be deemed to have been delivered at the time of mailing.

9. Mail Service Interruption

Notwithstanding the provisions of the Offer, the Circular, the Letter of Transmittal or the Notice of Guaranteed Delivery, cheques and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques and any other relevant documents that are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary in Toronto, Ontario until such time as the Offeror has determined that delivery by mail will no longer be delayed. Notwithstanding the provisions set out under "Take-Up of and Payment for Deposited Common Shares" in Section 6 of the Offer, cheques and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered upon being made available for delivery to the depositing Shareholder at the office of the Depositary in Toronto, Ontario. Notice of any determination regarding mail service delay or interruption made by the Offeror will be given in accordance with the provisions set out under "Notice and Delivery" in Section 11 of the Offer.

10. Changes in Capitalization; Liens; Dividends and Distributions

If, on or after the date of the Offer, the Company should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, or disclose that it has taken or intends to take any such action, the Offeror, in its sole discretion and without prejudice to its rights under "Conditions of the Offer" in Section 4 of the Offer, may make such adjustments as it considers appropriate to the Offer Consideration and the other terms of the Offer (including the type of securities offered to be purchased and the amounts payable therefor) to reflect that division, combination, reclassification, consolidation, conversion or other change.

Common Shares acquired pursuant to the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all Liens and together with all rights and benefits arising therefrom, including the right to all Distributions.

Shareholders that deposit Common Shares to the Offer will be entitled to Permitted Dividends having a record date for determination of shareholders entitled to such dividends that is prior to the date on which the Effective Time occurs, whether or not such Shareholders deposit Common Shares prior to the Expiry Time. If, on or after the date hereof, the Company should declare, set aside, or pay any dividend or other distribution or declare, make or pay any other distribution or payment on, or declare, allot, reserve or issue, any securities, rights or other interests with respect to any Common Shares (other than Permitted Dividends) that is payable or distributable to Shareholders on a record date that is prior to the date of transfer into the name of the Offeror or its nominee or transferee on the register of Shareholders maintained by the Company or its transfer agent of such Common Shares following acceptance thereof for purchase pursuant to the Offer, then (and without prejudice to the Offeror's rights under "Conditions of the Offer" in Section 4 of the Offer): (i) in the case of any such cash dividend, distribution or payment (other than a Permitted Dividend), the amount of the dividends, distributions or payments shall be received and held by the depositing Shareholder for the account of the Offeror until the Offeror pays for such Common Shares, and to the extent that such dividends, distributions or payments do not exceed the purchase price per Common Share payable in cash by the Offeror pursuant to the Offer, the purchase price per Common Share payable by the Offeror pursuant to the Offer in cash will be reduced by the amount of any such dividend, distribution or payment; and (ii) in the case of any such cash dividend, distribution or payment (other than a Permitted Dividend) that exceeds the purchase price per Common Share payable in cash by the Offeror pursuant to the Offer, or in the case of any non-cash dividend, distribution, payment, right or interest, the whole of any such dividend, distribution, payment, right or other interest, will be received and held by the depositing Shareholder for the account of the Offeror and shall be required to be promptly remitted and

transferred by the depositing Shareholder to the Depositary for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, distribution, payment, right or other interest and may withhold the entire purchase price payable by the Offeror pursuant to the Offer or deduct from the purchase price payable by the Offeror pursuant to the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

The declaration or payment of any such dividend or distribution may have tax consequences not discussed under “Certain Canadian Federal Income Tax Considerations” in Section 17 of the Circular.

11. Notice and Delivery

Without limiting any other lawful means of giving notice, any notice that the Offeror or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid to the registered holders of Common Shares at their respective addresses appearing in the share register maintained by the Company or its transfer agent and, unless otherwise specified by applicable law, will be deemed to have been received on the first Business Day following mailing. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail services in Canada following mailing.

If mail service is interrupted following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Subject to applicable law, if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Shareholders if it is published once in the National Edition of The Globe and Mail or The National Post or it is given to the CNW Group for dissemination through its facilities.

The Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery will be mailed to registered holders of Common Shares by first class mail, postage prepaid or made in such other manner as is permitted by applicable regulatory authorities and will be furnished by the Offeror to investment advisors, stockbrokers, banks, trust companies and similar persons whose names, or the names of whose nominees, appear in the register maintained by or on behalf of the Company in respect of the Common Shares or, if security position listings are available, who are listed as participants in a clearing agency’s security position listing, for subsequent transmittal to the beneficial owners of Common Shares where such listings are received.

Wherever this Offer calls for documents to be delivered to the Depositary, those documents will not be considered delivered unless and until they have been physically received at the address of the Depositary in Toronto, Ontario listed in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable.

12. Market Purchases

The Offeror reserves the right to and may acquire or cause one of its affiliates to acquire Common Shares by making purchases through the facilities of the TSX, at any time and from time to time prior to the Expiry Time, as permitted by law. In no event will the Offeror make any such purchases of Common Shares through the facilities of the TSX until the third Business Day following the date of the Offer. The aggregate number of Common Shares so purchased by the Offeror through the facilities of the TSX after the date of the Offer and prior to the end of the Offer Period will not exceed 5% of the number of outstanding Common Shares as of the date of the Offer and the Offeror will issue and file a news release in Canada and the United States forthwith after the close of business of the TSX on each day on which such Common Shares have been purchased. For these purposes, “Offeror” includes the Offeror and any person or company acting “jointly or in concert” with the Offeror.

Although the Offeror has no present intention to sell Common Shares taken up under the Offer, subject to compliance with applicable law, it reserves the right to make or to enter into an arrangement, commitment or understanding at or prior to the Expiry Time to sell any of such Common Shares after the Expiry Time.

13. Other Terms of the Offer

No investment advisor, stockbroker or other person (including the Depositary), has been authorized to give any information or make any representation on behalf of the Offeror or its affiliates other than as contained herein or in the accompanying Circular, and if any such information is given or made it must not be relied upon as having been authorized. No investment advisor, stockbroker or other person shall be deemed to be the agent of the Offeror or any of its affiliates or the Depositary.

The Offer and the accompanying Circular together constitute the take-over bid circular required under Canadian provincial securities legislation with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

The Offer and all contracts resulting from the acceptance hereof shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein. Each party to a contract resulting from an acceptance of the Offer unconditionally and irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made or directed to, nor will deposits of Common Shares be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. The Offeror or its agents may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, this Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the laws of such jurisdiction.

The provisions of the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer. The Offeror, in its sole discretion, will be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including the satisfaction of the conditions of the Offer), the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of Common Shares.

The Offeror reserves the right to transfer to one or more of its affiliates or related entities, provided that such entity is a wholly-owned subsidiary of Cardinal Health, the right to purchase all or any portion of the Common Shares deposited pursuant to the Offer but any such transfer will not relieve the Offeror of its obligations under the Offer and in no way will prejudice the rights of persons depositing Common Shares to receive payment for Common Shares validly deposited and accepted for payment pursuant to the Offer.

Dated: November 14, 2011

CARDINAL HEALTH CANADA INC.

(Signed) "*David H. Lees*"
President and Chief Executive Officer

CIRCULAR

This Circular is furnished in connection with the accompanying Offer dated November 14, 2011 by the Offeror to purchase all issued and outstanding Common Shares for a price of \$8.15 per Common Share payable in cash. Shareholders should refer to the Offer for details of its terms and conditions, including details as to payment and withdrawal rights. The terms and provisions of the Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Defined terms used in this Circular, where not otherwise defined, are defined in the Section entitled "Definitions".

The information concerning the Company contained in the Offer and this Circular has been taken from or is based upon publicly available documents or records of the Company on file with Securities Regulatory Authorities and other public sources at the time of the Offer. Although the Offeror has no knowledge that would indicate that any statements contained herein relating to the Company taken from or based upon such documents and records are untrue or incomplete, neither Cardinal Health, the Offeror nor any of their respective officers or directors assumes any responsibility for the accuracy or completeness of the information relating to the Company taken from or based upon such documents and records, or for any failure by the Company to disclose events that may have occurred or may affect the significance or accuracy of any such information but that are unknown to the Offeror or Cardinal Health. Unless otherwise indicated, information concerning the Company is given as at November 11, 2011.

1. The Offeror and Cardinal Health

Cardinal Health is a global healthcare services company providing products and services that help hospitals, physician offices and pharmacies reduce costs, improve safety and productivity, and deliver better care to patients. Cardinal Health is an essential link in the healthcare supply chain, providing pharmaceuticals and medical products to more than 60,000 locations each day. It also is a leading manufacturer of medical and surgical products, including gloves, surgical apparel and fluid management products. In addition, Cardinal Health supports the growing diagnostic industry by supplying medical products to clinical laboratories and operating the United States' largest network of radiopharmacies that dispense products to aid in the early diagnosis and treatment of disease.

Cardinal Health's executive offices are located at 7000 Cardinal Place, Dublin, Ohio 43017.

The Offeror was incorporated under the CBCA and was acquired by Cardinal Health in November of 2005. On July 1, 2010, it amalgamated with Cardinal Health Canada 204, Inc./Cardinal Santé Canada 204, Inc. and is now an indirect wholly-owned subsidiary of Cardinal Health. The Offeror distributes products from over 400 manufacturers to hospitals, surgery centers, laboratories, long-term care facilities and physician offices throughout Canada. The Offeror provides integrated supply chain and logistics solutions that help customers control costs, improve efficiencies and increase effectiveness. The Offeror's registered office and records office is located at 1000 Tesma Way, Vaughan, Ontario, L4K 5R8.

Cardinal Health has guaranteed all of the obligations of the Offeror under the Offer in accordance with the terms of the Support Agreement.

2. Futuremed

Futuremed is governed by the OBCA pursuant to articles of arrangement dated January 1, 2011. Futuremed's Common Shares are traded on the TSX under the stock symbol "FMD". The principal and head office of the Company is located at 277 Basaltic Road, Concord, Ontario L4K 5V3.

The Company is the successor of Futuremed Healthcare Income Fund, which was an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario. On January 1, 2011, the Fund

completed a conversion pursuant to a plan of arrangement under the OBCA (the “**Arrangement**”), involving, among others, the Company and Futuremed Healthcare Income Fund. As a result of the completion of the Arrangement and related transactions, the Company now owns, directly and indirectly, subsidiaries which own and operate the businesses which were owned and operated by Futuremed Healthcare Income Fund and its subsidiaries prior to the completion of the Arrangement.

Futuremed is a leading Canadian value-added distributor of consumable nursing supplies and specialized furniture and equipment to the growing long-term care facilities sector. Consumable nursing supplies include items such as incontinence products, wound care products and other disposable nursing supplies, and specialized furniture and equipment items include patient beds, specialized resident room furniture and medical and diagnostic equipment.

Futuremed is a reporting issuer or the equivalent in all provinces and territories of Canada and files its continuous disclosure documents with the Securities Regulatory Authorities. Such documents are available under the profile of the Company at www.sedar.com.

3. Background to the Offer

Cardinal Health and its board of directors continually review various strategic initiatives as part of its corporate development program. In connection with these reviews, Cardinal Health, from time to time, evaluates potential transactions that may further its corporate objectives and enhance shareholder value.

In June 2010, Cardinal Health began exploring the possibility of acquiring Futuremed, whose long-term care business was complementary to the Canadian operations of Cardinal Health and therefore represented an attractive growth opportunity for Cardinal Health in Canada. As a result, there were a series of internal discussions and analyses undertaken between June 2010 and the end of August 2010, the result of which led to Mr. David Lees, President and Chief Executive Officer of the Offeror inviting Mr. Raymond Stone, Chief Executive Officer of Futuremed, to a meeting.

On September 2, 2010, Mr. Lees met with Mr. Stone, and advised Mr. Stone that Cardinal Health was interested in pursuing discussions regarding a potential business combination. On October 12, 2010, the Offeror and Futuremed entered into a confidentiality agreement and management of the Offeror and Cardinal Health continued its analysis of the possibility of acquiring Futuremed. By early December 2010, management of Cardinal Health determined that, as a result of other acquisitions and overall capital planning within Cardinal Health, it would be unlikely that an acquisition of Futuremed could be accomplished prior to the end of the current fiscal year of Cardinal Health in June 2011. Although there continued to be some dialogue and exchange of information throughout the remainder of 2010, the parties elected not to further investigate a potential transaction at this time but to keep open lines of communication given Cardinal Health’s continuing interest in Futuremed.

In March 2011, the Offeror was contacted by a representative of JMP Securities LLC on behalf of Futuremed. This representative enquired as to whether Cardinal Health was willing to participate in a formal process being undertaken by Futuremed. At this time, Cardinal Health was not in a position to pursue a potential acquisition of Futuremed given the other acquisitions and overall capital planning that were using resources and management time at Cardinal Health.

In May 2011, Cardinal Health renewed its interest in pursuing a potential transaction with Futuremed. Accordingly, the Offeror informed Futuremed of its renewed interest to explore the possible acquisition of Futuremed and inquired as to whether Futuremed was still entertaining expressions of interest from third parties. In June 2011, Cardinal Health was provided access to an electronic data room containing information regarding Futuremed’s business and operations.

In early July 2011, Cardinal Health submitted a non-binding confidential indication of interest (the “**July IOI**”) to Futuremed in respect of the acquisition of all of the issued and outstanding Common Shares of Futuremed. In the July IOI, Cardinal Health requested that it be provided with the right to negotiate exclusively with Futuremed until August 31, 2011.

In the days following the submission by Cardinal Health of the July IOI, there was a regular dialogue between representatives of Cardinal Health and of Futuremed. While additional information was requested of Cardinal Health with respect to the terms of any definitive agreement that would be proposed by Cardinal Health, it was communicated to Cardinal Health that Futuremed was not willing to enter into exclusive negotiations with Cardinal Health at this stage in the process.

Following the submission of the July IOI, Cardinal Health continued its diligence investigations into Futuremed, through a continued review of detailed information made available from time to time by Futuremed in the electronic data room, and through telephone and in-person meetings between various executives of Cardinal Health and of Futuremed. In addition, numerous discussions were held between Cardinal Health representatives and the financial and legal advisors to Futuremed regarding the terms of any definitive agreement. As these diligence investigations and discussions continued, Cardinal Health again emphasized the importance to it of being in a position to negotiate exclusively with Futuremed.

This led to the signing on September 1, 2011 by both Cardinal Health and Futuremed of a revised letter of intent which included a non-binding description of the proposed terms of the transaction, and binding portions that provided, among other things, that Cardinal Health would be entitled to negotiate exclusively with Futuremed until September 26, 2011. During such exclusivity period, Cardinal Health continued its broader due diligence review of Futuremed and the advisors and representatives of both Cardinal Health and Futuremed engaged in numerous discussions regarding the terms and conditions of the Support Agreement and related documentation. In addition, representatives of Cardinal Health and Mr. Stone engaged in negotiations on the employment and non-competition agreements to be executed by the Offeror and Mr. Stone. On September 26, 2011, Cardinal Health and Futuremed extended the exclusivity period until October 3, 2011.

In early October 2011, senior management of the Offeror met with senior management of Futuremed to discuss a number of diligence items which remained outstanding and which were resulting in additional time being required by Cardinal Health before it would be in a position to enter into definitive agreements. Discussions amongst representatives of Cardinal Health and Futuremed on these remaining diligence items and the proposed terms of the transaction continued over the next few days.

On October 5, 2011, Cardinal Health proposed to the financial advisors of Futuremed the terms (including the price) upon which Cardinal Health was prepared to proceed with the transaction. Cardinal Health was later informed that such proposal was not acceptable to the Futuremed Board of Directors. During the following week, representatives of Cardinal Health and Futuremed continued negotiations to reach an agreement on the price to be offered by the Offeror and other commercial items that had remained outstanding. On October 13, 2011, Cardinal Health made a revised proposal following which the parties agreed to proceed to seek to settle the remaining outstanding commercial items and to finalize the Support Agreement and related documentation. This documentation was finalized over the course of the following two weeks through numerous meetings and discussions between counsel to Cardinal Health and counsel to Futuremed, and meetings and discussions amongst various executives and financial advisors of the parties to the transaction to resolve the remaining outstanding commercial items.

On October 24, 2011, representatives of Futuremed advised the Offeror and Cardinal Health that the Futuremed Board of Directors had unanimously determined, upon the recommendation of a special committee of independent directors, and after consultation with Futuremed’s financial and legal advisors and receipt of a fairness opinion from CIBC, that it is in the best interests of Futuremed to support and facilitate the Offer, enter

into the Support Agreement and recommend that Shareholders deposit their Common Shares to the Offer. Later that evening, the Support Agreement and the employment and non-competition agreements between the Offeror and Mr. Stone were each executed.

On the morning of October 25, 2011, prior to the opening of the market, Cardinal Health, the Offeror and Futuremed issued a joint press release announcing the transaction.

4. Description of the Support Agreement

On October 24, 2011, Cardinal Health, the Offeror and Futuremed entered into the Support Agreement, which sets out the terms and conditions upon which Cardinal Health agreed to cause the Offeror to make the Offer. The provisions of the Support Agreement are the result of arm's length negotiations conducted between representatives of Cardinal Health, the Offeror and Futuremed. The following summary describes certain material provisions of the Support Agreement and is not a complete summary and is subject to, and qualified in its entirety by the full text of the Support Agreement, a copy of which was filed by Futuremed under its profile at www.sedar.com. All capitalized terms used in this summary of the Support Agreement and not otherwise defined in this Circular have the meanings ascribed to them in the Support Agreement.

The Making of and Support for the Offer

The Support Agreement provides for the making of the Offer by the Offeror and for the support of the Offer by Futuremed and the Futuremed Board of Directors. As of the date of the Support Agreement, the Futuremed Board of Directors had unanimously determined, upon the recommendation of a special committee of independent directors, and after consultation with the Company's financial and legal advisors, including its receipt of a fairness opinion from CIBC, that it is in the best interests of the Company to support and facilitate the Offer, enter into the Support Agreement and recommend that Shareholders deposit their Common Shares to the Offer.

Conditions of the Offer

The Support Agreement provides that the Offer is subject to certain conditions, as described under "Conditions of the Offer" in Section 4 of the Offer.

Performance of the Offeror

Under the Support Agreement, Cardinal Health agrees to cause the Offeror to perform all of its obligations under the Support Agreement and unconditionally and irrevocably guarantees, covenants and agrees to be jointly and severally liable with the Offeror for the due and punctual performance of each and every obligation of the Offeror arising under the Support Agreement.

Modification or Waiver of Terms of Offer

The Support Agreement provides that the Offeror may, in its sole discretion, modify or waive any term or condition of the Offer; provided that the Offeror will not, without the prior consent of the Company, (i) change or waive the Minimum Tender Condition; (ii) decrease the amount of consideration or change the form of consideration per Common Share; (iii) decrease the number of Common Shares in respect of which the Offer is made; or (iv) add any other condition not set forth in the Support Agreement or vary a condition to the Offer in a manner that is adverse to the Company or Shareholders; provided that, for greater certainty, the Offeror may increase the total consideration per Common Share and/or add additional consideration per Common Share.

Representations and Warranties of Futuremed

Futuremed has made certain customary representations and warranties in the Support Agreement in respect of the following matters, among others: (i) organization and qualification; (ii) authority relative to the Support Agreement; (iii) no violations; (iv) consents and approvals; (v) capitalization; (vi) rights of other persons; (vii) brokerage fees; (viii) no material change; (ix) related party transactions; (x) restrictions on business activity; (xi) payment of dividends; (xii) public filings; (xiii) outstanding indebtedness; (xiv) financial statements; (xv) no undisclosed liabilities; (xvi) internal controls; (xvii) books and records; (xviii) minute books; (xix) material contracts; (xx) licenses; (xxi) status under the Investment Canada Act; (xxii) litigation; (xxiii) reporting issuer status and securities law matters; (xxiv) compliance with laws; (xxv) employment matters; (xxvi) tax matters; (xxvii) environmental matters; (xxviii) assets and real property; (xxix) relationship with suppliers, etc.; (xxx) insurance; and (xxxi) intellectual property. The representations and warranties of Futuremed contained in the Support Agreement are qualified by its disclosure letter to Cardinal Health dated October 24, 2011 and will not survive the completion of the Offer.

Representations and Warranties of Cardinal Health and the Offeror

Cardinal Health and the Offeror have jointly and severally made certain customary representations and warranties in the Support Agreement in respect of the following matters, among others: (i) organization; (ii) authority relative to the Support Agreement; (iii) no violations; (iv) consents and approvals; (v) legal proceedings and orders; (vi) no misrepresentation; (vii) brokers; (viii) financing; (ix) management agreements; (x) share ownership; and (xi) residency. The representations and warranties of Cardinal Health and the Offeror contained in the Support Agreement will not survive the completion of the Offer.

Covenants of Futuremed

Under the Support Agreement, Futuremed has agreed that, during the period from the date of the Support Agreement until the Effective Time or until the Support Agreement is terminated in accordance with its terms, unless the Offeror shall otherwise agree in writing or as otherwise expressly contemplated or permitted by the Support Agreement or required by applicable law, it shall, and shall cause each of its subsidiaries to, conduct its and their respective businesses only in, not take any action except in, the ordinary course consistent with past practice, and use commercially reasonable efforts to maintain its and their respective business organizations, goodwill, property and assets in and keep available the services of its employees, suppliers, customers, distributors and others having business relationships with them.

Without limiting the generality of the foregoing, Futuremed has agreed, among other things, and subject to certain exceptions, not to, directly or indirectly, and to cause each of its subsidiaries not to, take certain actions relating to: (i) amendments of its constating documents; (ii) the issuance or encumbrance of securities; (iii) the redemption or purchase of securities; (iv) the split, combination or reclassification of any outstanding Common Shares or the declaration, setting aside or payment of any dividend or distribution other than Permitted Dividends; (v) any reduction of stated capital; (vi) a liquidation, dissolution, merger or consolidation; (vii) an amalgamation; (viii) the sale, pledge, hypothecation, lease, mortgage, disposal, encumbrance or transfer or an agreement to do so of any asset, property or any interest in any asset other than pursuant to the sale of inventory in the ordinary course consistent with past practice, in either case, that has an aggregate value greater than \$500,000; (ix) the prepayment, discharge or satisfaction of liabilities or obligations prior to its maturity date; (x) the entering into of any contract that would be a Material Contract or the modification in any material respect, transfer or termination of a Material Contract or the waiver, release, relinquishment or assignment of any material rights of a Material Contract (whose monetary threshold in accordance with the definition of "Material Contract" shall be deemed to be \$2,000,000); (xi) the acquisition of any person or any investment in or purchase of any property or assets of any other person having an aggregate value or for aggregate consideration greater than \$500,000, except acquisition of inventory in the ordinary course; (xii) incurrence of any indebtedness or any other material liability except draw downs on the Company's existing operating line in the ordinary course

consistent with past practice; (xiii) any individual capital expenditure greater than \$100,000 or in the aggregate greater than \$1,000,000; (xiv) any material changes to the existing accounting practices of the Company or any subsidiary except as required by applicable law or accounting principles; (xv) change of any method of tax accounting, any material tax election, filing any amended tax return, settlement or compromise of any tax liability, agreement to an extension or waiver of the limitation period with respect to the assessment or determination of taxes, entering into any closing agreement with respect to any tax or the surrender of any right to claim a tax refund; (xvi) entering into any agreement or arrangement that materially restricts the Company or any of its subsidiaries from carrying on business in any manner; (xvii) settlement or compromise of any material action, claim or proceeding brought against the Company or any of its subsidiaries by any purported holder of its securities in connection with the Offer or the Transactions; (xviii) termination of employment of any senior management employee, earning in excess of \$75,000 annually, except for cause; (xix) any action or inaction that may adversely affect the rights of the Company under any material licenses; (xx) action or inaction that would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of the Offeror or Cardinal Health to complete the Offer or the Transactions; (xxi) the cancellation or termination of material insurance policies; (xxii) the creation of any obligations of the Company or any of its subsidiaries to pay any amounts to its employees including the grant of any bonuses, salary increases, other compensation, severance or termination pay; or (xxiii) the adoption, amendment or waiver of any performance or vesting criteria under any bonus, option, compensation, insurance or other employee benefit plan. However, notwithstanding any other provision in the Support Agreement, the Company may pay: (i) reasonable special committee fees awarded by the Futuremed Board of Directors in its discretion and consistent with its fiduciary duties to each member of the special committee of the Futuremed Board of Directors that do not exceed \$100,000 in the aggregate provided that the Expiry Time occurs on or before February 5, 2012; (ii) up to \$1,750,000 in the aggregate in connection with bonuses to be declared and paid in the ordinary course, consistent with past practice (including any ordinary course bonuses to be paid to reward special performance in effecting the Transactions provided that such bonuses are consistent with past practice); and (iii) up to \$625,000 in the aggregate in connection with retention bonuses to be paid six (6) months after closing of the Transactions in the manner described in its disclosure letter to Cardinal Health dated October 24, 2011.

Covenants of the Offeror and Futuremed

Each of the Offeror and the Company has agreed, among other things, to, as promptly as practicable after the execution and delivery of the Support Agreement, (i) obtain all necessary consents, approvals and authorizations as are required to be obtained under applicable laws; (ii) subject to the limitation of the Offeror's obligation in connection with Competition Law matters, defend all lawsuits or other legal proceedings challenging the Support Agreement or the consummation of the Transactions; (iii) subject to the limitation of the Offeror's obligation in connection with Competition Law matters, cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the Transactions; (iv) effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities or required under any applicable Securities Laws or any other law relating to the Transactions; (v) execute and deliver such documents as the other party may reasonably require; and (vi) to fulfil all conditions within its power and satisfy all provisions of the Support Agreement, the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, including by refraining from taking any action or permitting any action to be taken, as the case may be, which is inconsistent with the Support Agreement which would reasonably be expected to result in the representations and warranties set out in the Support Agreement being untrue while the Offer is outstanding, or which would reasonably be expected to impede the consummation of the Transactions.

Non-Solicitation Obligations and Superior Proposal

Other than as expressly provided in the non-solicitation provisions of the Support Agreement, Futuremed has agreed not to, directly or indirectly, through any agent of Futuremed or any of its subsidiaries or otherwise, and not to permit any such person to:

- (a) withdraw, qualify or modify or propose to withdraw, qualify or modify the recommendation of the Futuremed Board of Directors of the Offer or the Agreement in a manner adverse to the Offeror;
- (b) solicit, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of any information, properties, facilities, books or records of the Company or any subsidiary or entering into any form of agreement, arrangement or understanding) any inquiries, proposals or offers, that constitute or may reasonably be expected to constitute an inquiry, proposal or offer (written or oral) relating to any of the following (i) any merger, reorganization, consolidation, sale of assets, amalgamation, take-over bid, tender offer, exchange offer, share exchange, arrangement, recapitalization or other business combination, liquidation, dissolution or winding-up directly or indirectly involving the Company or any of its subsidiaries, (ii) any sale, direct or indirect, whether in a single transaction or a series of transactions, of assets representing 20% or more of the assets of the Company and its subsidiaries, taken as a whole (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale of assets representing 20% or more of the assets of the Company and its subsidiaries, taken as a whole, in a single transaction or a series of related transactions), (iii) any issuance, sale or acquisition, direct or indirect, whether in a single transaction or a series of transactions, of beneficial ownership of securities of the Company or any of its subsidiaries, or rights or interests therein or thereto, representing 20% or more of the voting or equity securities of the Company (in terms of number of shares or voting power) or any of its subsidiaries representing 20% or more of the assets of the Company and its subsidiaries, taken as a whole, or (iv) any inquiry, proposal or offer to, or public announcement of an intention to, do any of or any combination of the foregoing, in each case excluding the Transactions (the “**Alternative Proposal**”);
- (c) participate in any discussions or negotiations with any person regarding any inquiries, proposals or offers that constitute or may reasonably be expected to constitute or lead to an Alternative Proposal;
- (d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to any Alternative Proposal (it being understood that publicly taking no position or a neutral position with respect to an Alternative Proposal for a period of no more than five (5) Business Days following the public announcement of such Alternative Proposal will not be considered to be in violation of the non-solicitation provisions of the Support Agreement, provided the Board has rejected such Alternative Proposal and affirmed its recommendation in favour of the Arrangement before the end of such five (5) Business Day period); or
- (e) accept or enter into any agreement or arrangement in respect of an Alternative Proposal.

The Company has agreed to, and to cause its subsidiaries and its and their agents to, immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any persons (other than the Offeror, Cardinal Health and their respective agents) conducted heretofore by the Company, its subsidiaries or its or their agents with respect to any potential Alternative Proposal and, in connection therewith, the Company has agreed to discontinue access to any of its confidential information and, as soon as reasonably practicable, request, to the extent that it is entitled to do so, and exercise all rights it has to require, the return or destruction of all confidential information (including all material including or incorporating or otherwise reflecting any confidential information) regarding the Company and its subsidiaries previously provided to any such person or any other person. The Company has agreed, except as otherwise permitted by the non-solicitation provisions of the Support Agreement:

- (a) that neither it nor any of its subsidiaries shall terminate, waive, amend or modify any provision of any existing confidentiality agreement relating to a potential Alternative Proposal or any standstill agreement to which it or any of its subsidiaries is a party; and

- (b) to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its subsidiaries have entered into prior to the date of the Support Agreement;

provided, however, that the foregoing shall not prevent the Futuremed Board of Directors from waiving, amending or modifying any provision of any existing confidentiality agreement or standstill agreement to consider an Alternative Proposal that could reasonably be expected to result in a Superior Proposal and accepting a Superior Proposal that might be made by any such third party otherwise subject to a confidentiality agreement or standstill agreement if the remaining provisions of the Support Agreement have been complied with.

A “**Superior Proposal**” means any bona fide, unsolicited, written Alternative Proposal made after the date of the Support Agreement, that did not result from a breach of the non-solicitation provisions of the Support Agreement by the Company or its subsidiaries or their agents that:

- (a) relates to the acquisition of 100% of the outstanding Common Shares (other than the Common Shares owned by the person making the Alternative Proposal together with its affiliates) or all or substantially all of the consolidated assets of the Company and its subsidiaries;
- (b) is not subject to any financing condition and in respect of which adequate arrangements have been made to ensure that the required funds will be available to effect payment in full for all of the Common Shares or assets, as the case may be;
- (c) is not subject to any due diligence and/or access condition that would allow access to the books and records, facilities, properties or personnel of the Company or its subsidiaries for longer than twenty-five (25) days and is not, in any event, subject to a due diligence or similar condition when it is made to the Company or the shareholders in definitive contractual or statutory take-over bid form; and
- (d) in respect of which the Futuremed Board of Directors determines, in good faith, after receiving the advice of external legal counsel with respect to (A) below and a financial advisor with respect to (B) below, that
 - (i) failure to recommend such Alternative Proposal to the Shareholders would be inconsistent with the fiduciary duties of the Futuremed Board of Directors under applicable laws; and
 - (ii) having regard to all of its terms and conditions, such Alternative Proposal would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the Shareholders (other than the person making the Alternative Proposal and its affiliates) from a financial point of view than the Offer (after taking into account any change to the Offer proposed by the Offeror pursuant to the right to match provisions of the Support Agreement).

Notwithstanding the non-solicitation provisions in the Support Agreement, if the Company receives a request for material non-public information from a person(s) who has proposed a written Alternative Proposal that was not solicited in contravention of the non-solicitation provisions of the Support Agreement, the Company may contact the person(s) making such proposal to clarify such proposal and any material terms thereof and the conditions to and likelihood of consummation so as to determine whether such proposal is, or is reasonably likely to lead to, a Superior Proposal. The Company may, if the Futuremed Board of Directors determines, acting in good faith and, after receipt of advice from its legal and financial advisors, that the Alternative Proposal constitutes or, if consummated in accordance with its terms (disregarding, for the purposes of any such determination, any term of such Alternative Proposal that provides for a due diligence investigation), is or could reasonably be expected to result in a Superior Proposal,

- (a) furnish information with respect to the Company and its subsidiaries to the person making such Alternative Proposal and its agents for a period of not more than twenty-five (25) days; and
- (b) participate in discussions or negotiations with the person making such Alternative Proposal and its agents,

provided that the Company shall not, and shall not allow its agents to, disclose any non-public information with respect to the Company to such person (i) if such non-public information has not been previously provided to, or is not concurrently made available to, the Offeror, Cardinal Health and their agents; (ii) without entering into a confidentiality and standstill agreement (if one has not already been entered into) that is customary in such situations and that is no less favourable to the Company and no more favourable to the counterparty than the confidentiality and standstill provisions contained in the Confidentiality Agreement; and (iii) without providing a copy of such confidentiality agreement to the Offeror.

Notification of Alternative Proposals

If the Company or any of its subsidiaries or any of their respective agents, receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Alternative Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company or any subsidiary, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Company or any subsidiary, the Company shall promptly notify the Offeror, at first orally, and then within one (1) Business Day in writing, of such Alternative Proposal, inquiry, proposal, offer or request, (including a description of its material terms and conditions and the identity of all persons making the Alternative Proposal). The Company also agrees to notify the Offeror in respect of any copies of all documents, correspondence or other material in respect of, from or on behalf of any such person as the Offeror may reasonably request. The Company also agrees to notify the Offeror of the status of developments and negotiations with respect to such Alternative Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such Alternative Proposal, inquiry, proposal, offer or request.

Proposed Agreement and Right to Match

Notwithstanding the non-solicitation provisions of the Support Agreement, and subject to compliance with the Company's obligations set forth in the Support Agreement, the Company may terminate the Support Agreement and enter into a definitive agreement (the "**Proposed Agreement**") with any third party providing for an Alternative Proposal, if the Futuremed Board of Directors determines such Alternative Proposal is a Superior Proposal; provided that the Company may do so only after the Company has provided the Offeror and Cardinal Health with written notice that the Futuremed Board of Directors has determined that it has received a Superior Proposal (a "**Superior Proposal Notice**"), which identifies the party making the Superior Proposal, and provides the Offeror and Cardinal Health with a copy of any Proposed Agreement, in each case not less than five (5) Business Days (the "**Response Period**") prior to the proposed execution of such Proposed Agreement by the Company. The Response Period shall expire at 8:00 p.m. (Eastern time) on the fifth Business Day following the day on which the Superior Proposal Notice and Proposed Agreement was provided to the Offeror.

During the Response Period, the Offeror will have the right, but not the obligation, to offer to amend in writing the terms of the Offer. The Futuremed Board of Directors will review any such written offer to determine whether the Alternative Proposal to which the Offeror is responding would continue to be a Superior Proposal when assessed against the amended Offer as it is proposed by the Offeror. If the Futuremed Board of Directors determines that the amended Offer is at least equivalent to the Alternative Proposal, the Futuremed Board of Directors will cause the Company to enter into an amendment to the Support Agreement reflecting the amended Offer and upon the execution by the Parties of such amendment will reaffirm its recommendation of the Offer, as so amended and will further agree not to enter into any agreement relating to the applicable Alternative Proposal and not to withdraw, modify or change any recommendation regarding the Offer save and except to reaffirm its recommendation of the amended Offer. Each successive amendment to an Alternative Proposal will constitute a new Alternative Proposal for the purposes of the non-solicitation provisions and the Offeror and Cardinal Health will be afforded a new Response Period in respect of each such Alternative Proposal.

If (i) the Offeror and Cardinal Health do not offer to amend the terms of the Support Agreement within the Response Period or (ii) the Futuremed Board of Directors determines acting in good faith and in the proper

discharge of its fiduciary duties (after consultation with its financial advisor and after receiving advice from its outside legal counsel) that the Alternative Proposal would nonetheless remain a Superior Proposal with respect to the proposal by the Offeror and Cardinal Health to amend the Support Agreement and therefore rejects such proposal by the Offeror and Cardinal Health to amend the Offer and the Support Agreement, the Company will be entitled, following the expiry of the Response Period, to terminate the Support Agreement in accordance with its terms upon payment to the Offeror of the Termination Fee and to enter into an alternative agreement.

Nothing contained in the Support Agreement will prohibit the Futuremed Board of Directors from making any disclosure to the Shareholders prior to the Expiry Time, including regarding one or more Superior Proposals, if the Futuremed Board of Directors determines that such disclosure is necessary for the Futuremed Board of Directors to act in a manner consistent with its fiduciary duties or is otherwise required under applicable law.

Termination of the Support Agreement

The Support Agreement may be terminated by notice in writing from the Party terminating the Support Agreement to each of the other Parties at any time prior to the Effective Time (unless otherwise stated):

- (a) by mutual written consent of the Company and the Offeror;
- (b) by the Company:
 - (i) if either the Offeror or Cardinal Health shall not have performed its obligations or covenants in all material respects when required to be performed by it under the Support Agreement;
 - (ii) if any representation or warranty of the Offeror or Cardinal Health under the Support Agreement shall have been or become untrue or incorrect in any material respect; provided that written notice shall be provided by the Company to the Offeror and Cardinal Health to such effect and such right of termination shall not be available with respect to any breach or failure that is capable of being cured and such breach or failure has been cured by the earlier of the date that is five (5) Business Days from the date of written notice of such breach or failure and the Business Day prior to the Outside Date;
 - (iii) if the Offer (or any amendment thereto other than as permitted hereunder or any amendment thereof that has been mutually agreed to by the Parties) does not conform in all material respects with the Support Agreement, including the conditions to the Offer set out in Section 4 of the Offer or any amendment thereof that has been mutually agreed to by the Parties and such non-conformity is not cured within five (5) Business Days from the date of written notice to that effect from the Company; or
 - (iv) in order to enter into a binding written agreement with respect to a Superior Proposal (other than a confidentiality agreement permitted by the non-solicitation sections of and in compliance with the Support Agreement provided that the Company has not breached any of its obligations under the Support Agreement; and further provided that the Company has previously or contemporaneously paid to the Offeror the Termination Fee;
- (c) by the Offeror:
 - (i) prior to the mailing of the Circular, if any condition contained in Section 2.2 of the Support Agreement that is to be satisfied or waived prior to mailing is not satisfied or waived by the Offeror except where failure to satisfy such condition is solely as a result of a default by the Offeror or Cardinal Health of their obligations pursuant to the Support Agreement;
 - (ii) if the Company intentionally defaults on any covenant or obligation in the non-solicitation provisions of the Support Agreement;
 - (iii) if the Company shall not have performed its obligations or covenants in all material respects when required to be performed by it under the Support Agreement;

- (iv) if any representation or warranty of the Company, other than the representations and warranties with respect to capitalization of the Company, provided in the Support Agreement (without giving effect to any “Material Adverse Effect” qualifications or other materiality qualifications therein) shall have been or become untrue, except to the extent that any such breach(es) would not individually or in the aggregate result in a Material Adverse Effect; provided that (i) written notice shall be provided by the Offeror and Cardinal Health to the Company to such effect and such right of termination shall not be available with respect to any breach or failure that is capable of being cured and such breach or failure has been cured by the earlier of the date that is five (5) Business Days from the date of written notice of such breach or failure and the Business Day prior to the Outside Date and (ii) the representations and warranties with respect to the capitalization of the Company shall be true and correct in all respects (except for de minimis inaccuracies);
- (v) if the Futuremed Board of Directors or any committee thereof shall have:
 - (A) withdrawn or modified in a manner adverse to the Offeror its approval or recommendation of the Offer;
 - (B) failed to publicly reaffirm its recommendation of its approval of the Offer and recommendation that Shareholders tender all of the Common Shares under the Offer within five (5) Business Days of the public announcement of any Alternative Proposal that the Futuremed Board of Directors has determined is not a Superior Proposal or of the written request by the Offeror that the Futuremed Board of Directors make such a recommendation or reaffirmation; or
 - (C) approved or recommended an Alternative Proposal or entered into a binding written agreement in respect of an Alternative Proposal (other than a confidentiality agreement permitted by the non-solicitation provisions of the Support Agreement); or
- (vi) if Raymond Stone shall have resigned from the Company or rescinded the RS Employment Agreement to be effective as of the Effective Time.
- (d) by either Party:
 - (i) if any court of competent jurisdiction or other Governmental Authority of competent jurisdiction shall have issued an order or taken any other action permanently enjoining or otherwise prohibiting the making or completion of the Offer or the consummation of the Transactions and such order or other action shall have become final and non-appealable; or
 - (ii) if the Offer terminates, expires or is withdrawn at the Expiry Time without the Offeror taking up and paying for any of the Common Shares as a result of the failure of any condition to the Offer to be satisfied or waived, unless the failure of such condition shall be due to the failure of the Party seeking to terminate the Support Agreement to perform the obligations required to be performed by it under the Support Agreement.

Termination Fee

Under the Support Agreement, a termination fee of \$4.6 million (the “**Termination Fee**”), in immediately available funds, is payable by the Company to an account designated by the Offeror within the time specified in respect of the relevant event:

- (a) in order for the Company to terminate the Support Agreement pursuant to (b)(iv) under “Termination of the Support Agreement” above, in which case the Company shall pay to the Offeror the Termination Fee prior to such termination and contemporaneously with accepting, recommending or approving or entering into of any definitive agreement relating to, a Superior Proposal and prior to such termination;

- (b) if the Offeror shall have terminated the Support Agreement pursuant to (c)(ii) or (c)(v) under “Termination of the Support Agreement” above, in which case, the Company shall pay to the Offeror the Termination Fee within three (3) Business Days after the date of termination of the Support Agreement; or
- (c) if on and after the date of the Support Agreement and prior to the Expiry Time, (A) an Alternative Proposal is publicly announced or made or any person has publicly announced an intention to make an Alternative Proposal, and such Alternative Proposal has not expired, been withdrawn or been publicly abandoned, (B) the Offer is not completed as a result of the Minimum Tender Condition not having been met, and (C) the Support Agreement is terminated and such Alternative Proposal is completed within twelve (12) months of such termination, then the Termination Fee shall be paid to the Offeror concurrently with the consummation of the Alternative Proposal.

The Support Agreement provides that the compensation or damages to be received pursuant to the Termination Fee provisions of the Support Agreement is the sole and exclusive remedy of the Offeror unless the Company has intentionally breached its covenants therein, and in the absence of any such intentional breach, no other amounts will be due or payable as damages or otherwise to the Offeror in connection with the Support Agreement, the Offer or the Transactions.

Reimbursement of Expenses

If the Support Agreement has been terminated pursuant to paragraphs (c)(iii) or (c)(iv), as set forth under “Termination of the Support Agreement” above, and the Company has, in accordance with the Support Agreement, not paid the Termination Fee to the Offeror, the Company shall reimburse the Offeror in connection with all its out-of-pocket expenses actually incurred up to a maximum of \$1.5 million. If the Support Agreement is terminated pursuant to paragraph (d)(i) set forth under “Termination of the Support Agreement” above as a result of not receiving Competition Act Approval by the Outside Date or as a result of the Competition Commissioner filing an application with the Competition Tribunal with respect to the transactions contemplated by the Support Agreement but all other conditions to the Offer have been or are capable of being satisfied (or have been waived) as of the date of termination (other than a condition that has not been satisfied that is within the control of the Offeror or Cardinal Health), the Offeror will reimburse the Company for its out-of-pocket expenses actually incurred (other than fees for investment banking or financial advisory services) from September 1, 2011 until the date of termination, up to a maximum of \$1.5 million.

The Support Agreement provides that where a party is entitled to receive a reimbursement of expenses, the receipt of payment of such expenses is the sole and exclusive remedy of such receiving party unless one of the other parties to the Support Agreement has intentionally breached its covenants therein, and in the absence of any such intentional breach, no other amounts will be due or payable as damages or otherwise to the receiving party in connection with the Support Agreement, the Offer or the Transactions.

Other Fees and Expenses

Except as otherwise expressly provided in the Support Agreement, each Party has agreed to pay its own expenses incurred in connection with the Offer and the Transactions.

5. Purpose of the Offer

The purpose of the Offer is to enable the Offeror to acquire beneficial ownership of all of the outstanding Common Shares of the Company. If the Offer is successful, it is expected that certain changes will be effected with respect to the composition of the Futuremed Board of Directors and/or the officers of Futuremed to allow nominees of the Offeror to become directors and/or officers of Futuremed. Following consummation of the Offer, the Offeror intends to review the affairs and operations of Futuremed and consider what actions might be appropriate in the circumstances. The Offeror intends to continue to operate Futuremed as a wholly-owned subsidiary, but may choose to reorganize its holding of Futuremed.

The Common Shares are currently listed on the TSX. Subsequent to the completion of the Offer or, if required, to any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to cause Futuremed to delist the Common Shares from the TSX. See Section 14 of this Circular, “Effect of the Offer on Market and Listings”.

If the Offeror takes up and pays for the Common Shares validly deposited and not properly withdrawn under the Offer, the Offeror is obligated under the Support Agreement to acquire, subject to the terms and conditions thereof, any Common Shares not deposited under the Offer, including by way of an amalgamation, statutory arrangement, capital reorganization or other transaction, for consideration per Common Share equal in value to and in the same form as the Offer Consideration. The taking of such action and exact timing and details of any such transaction will depend upon a number of factors, including the number of Common Shares acquired by the Offeror pursuant to the Offer. See “Acquisition of Common Shares Not Deposited Under the Offer” in Section 16 of this Circular.

6. Offeror’s Reasons to Accept the Offer

Shareholders should consider the following factors, which the Offeror considers to be relevant, in making their decision to accept the Offer:

- Significant Premium — The Offer is an all-cash offer that represents a premium of approximately 31% over the closing price of \$6.20 per Common Share on the TSX on October 24, 2011, the day immediately prior to the announcement of the intention of Cardinal Health and the Offeror to make the Offer. The Offer also represents a premium of approximately 37% over the volume weighted average trading price of the Common Shares on the TSX for the 20 trading days ending on October 24, 2011.
- Fully Financed Cash Offer — The form of consideration offered by the Offeror is all cash, and the Offeror has committed funding for its Offer.
- Certainty of Value and Liquidity — The form of consideration to be paid to Shareholders is all cash, providing Shareholders, if the Offer is completed, with certainty as to the value of the consideration and liquidity at a premium to recent trading prices, as well as the opportunity to sell all of their Common Shares free of broker commissions. The Common Shares are thinly traded on the TSX and the Offer, if completed, provides Shareholders with an assured price for the sale of all of their Common Shares.
- Fairness Opinion — The Futuremed Board of Directors has received a fairness opinion from CIBC that as of the date of the fairness opinion and subject to the assumptions, qualifications and limitations contained therein, the consideration offered to Shareholders pursuant to the Support Agreement is fair, from a financial point of view, to the Shareholders.
- Unanimous Recommendation of Futuremed Board of Directors — The Futuremed Board of Directors has unanimously recommended that Shareholders accept the Offer.
- Lock-Up Agreements: Each of the directors and senior officers (owning more than 10,000 Common Shares) of Futuremed has entered into a Lock-Up Agreement pursuant to which each such person has agreed to support the Offer and to deposit under the Offer and not withdraw, subject to certain exceptions, all Common Shares held by them. The Locked-Up Parties hold approximately 5% of the outstanding Common Shares on a fully-diluted basis.

The above “Offeror’s Reasons to Accept the Offer” are the reasons that the Offeror believes are relevant to a Shareholder’s decision as to whether or not to accept the Offer. Details concerning the principal reasons and factors considered by the Futuremed Board of Directors in making its recommendation to Shareholders are set out in the Directors’ Circular.

7. Source of Funds

The Offeror estimates that if it acquires all of the Common Shares pursuant to the Offer, the total amount of cash required for the purchase of such Common Shares and to cover related fees and expenses will be approximately \$125.8 million. All such funds are currently available from Cardinal Health's cash reserves and Cardinal Health has committed to advance such funds to the Offeror. The Offeror's obligation to purchase the Common Shares tendered in the Offer is not subject to any financing condition.

8. Beneficial Ownership of and Trading in Securities of Futuremed

None of: (a) (i) the Offeror, (ii) Cardinal Health, (iii) any director or officer of the Offeror, or (iv) any director or officer of Cardinal Health (collectively, the "**Offeror Group**"); nor (b) to the knowledge of the Offeror and Cardinal Health, after reasonable enquiry, (i) any associate or affiliate of an insider of the Offeror or Cardinal Health, (ii) any insider of the Offeror or Cardinal Health, other than a director or officer of the Offeror or Cardinal Health, or (iii) any person or company acting jointly or in concert with the Offeror or Cardinal Health (collectively, the "**Offeror Affiliate Group**"), beneficially owns or controls or exercises direction over any securities of Futuremed.

During the six-month period preceding the date of the Offer, no securities of Futuremed have been purchased or sold by any member of the Offeror Group or, to the knowledge of the Offeror and Cardinal Health, after reasonable enquiry, by any member of the Offeror Affiliate Group.

The Directors' Circular discloses that, to the knowledge of Futuremed, no Shareholder holds more than 10% of the issued and outstanding Common Shares.

9. Commitments to Acquire Securities of Futuremed

Except pursuant to the Offer and as disclosed in "Agreements, Commitments or Understandings" in Section 10 of this Circular, no member of the Offeror Group and to the knowledge of the Offeror or Cardinal Health, after reasonable enquiry, no member of the Offeror Affiliate Group, has entered into any agreements, commitments or understandings to acquire any securities of Futuremed.

10. Agreements, Commitments or Understandings

Other than the Support Agreement or as described below, there are no agreements, commitments or understandings made or proposed to be made between Cardinal Health or the Offeror and (i) any securityholder of Futuremed, or any person or company with respect to securities of Futuremed, relating to the Offer, or (ii) any directors or officers of Futuremed and no payments or other benefits are proposed to be made or given by Cardinal Health or the Offeror by way of compensation for loss of office or as to such directors or officers remaining in or retiring from office if the Offer is successful.

Confidentiality Agreement and Non-Binding Confidential Indication of Interest

On October 12, 2010, Futuremed and Cardinal Health entered into the Confidentiality Agreement. Subsequently, Futuremed and Cardinal Health also entered into the JDA on July 27, 2011 and a non-binding indication of interest on September 1, 2011. Together with the JDA and the non-binding letter of interest, the Confidentiality Agreement contains customary provisions including provisions whereby: (a) Cardinal Health agreed to keep confidential the confidential information it receives from Futuremed; (b) Futuremed agreed to deal exclusively with Cardinal Health in a process that, if successfully completed, would result in the execution of a definitive agreement in respect of the Offer; (c) Futuremed agreed not to initiate, continue, pursue, agree to or endorse any other transaction in respect of Futuremed inconsistent with the transaction proposed by Cardinal Health (other than as required by Securities Laws); and (d) Cardinal Health agreed to certain "standstill" and

non-solicitation provisions which last for twelve (12) months following the date of the non-binding indication of interest. The non-binding confidential indication of interest was subsequently amended on September 26, 2011 to extend the term of the agreement to October 3, 2011. Notwithstanding the terms of the Confidentiality Agreement and the non-binding indication of interest, under the Support Agreement, the Company has consented to the making of the Offer and the consummation of the transactions contemplated in the Support Agreement.

Lock-Up Agreements

The Offeror is also party to Lock-Up Agreements pursuant to which the Locked-Up Parties have agreed to support the Offer and irrevocably to accept the Offer and deposit or cause to be deposited under the Offer and not withdraw, subject to certain exceptions, all of the Common Shares beneficially owned or acquired by the respective Locked-Up Party. The Locked-Up Parties own an aggregate of 769,545 Common Shares, representing approximately 5% of the outstanding Common Shares.

The following is a summary of certain principal provisions of the Lock-Up Agreements. It is not a complete summary and is subject to, and qualified in its entirety by reference to, the provisions of the Lock-Up Agreements. A copy of each of the Lock-Up Agreements has been filed by Futuremed on SEDAR.

Each Locked-Up Party has covenanted and agreed that during the period from the date of its Lock-Up Agreement and continuing until the earlier of (i) the termination of the Offer, (ii) the Expiry Time, and (iii) the termination of the Lock-Up Agreement, except as contemplated or permitted under the Lock-Up Agreement, it will:

- (a) not (i) solicit, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of any information, properties, facilities, books or records of the Company or any subsidiary or entering into any form of agreement, arrangement or understanding) any inquiries, proposals or offers, that constitute or may reasonably be expected to constitute an Alternative Proposal, (ii) participate in any discussions or negotiations with any person regarding any inquiries, proposals or offers that constitute or may reasonably be expected to constitute or lead to an Alternative Proposal, or (iii) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend an Alternative Proposal; provided, however, that the foregoing shall not prevent it, in accordance with his/her fiduciary duties and the Support Agreement, from considering an Alternative Proposal that is or could reasonably be expected to result in a Superior Proposal and accepting, approving, endorsing or recommending a Superior Proposal that might be made by any such third party if the provisions of Section 6.1 of the Support Agreement have been complied with.
- (b) not sell, transfer or encumber in any way any of its Common Shares or relinquish or restrict its right to vote any of its Common Shares, other than pursuant to the Offer and the Lock-Up Agreement.
- (c) not prior to the public announcement of the terms of the Offer as mutually agreed by the Offeror and the Company, directly or indirectly, disclose to any person, the existence or the terms and conditions of the Lock-Up Agreement, the Support Agreement or the possibility of the Offer being made or any terms or conditions or other information concerning any possible offers for the Common Shares, subject to any disclosure which is required by law or which is made by the Locked-Up Party, if applicable, to its directors, officers, employees and professional advisors in connection with the preparation of the Lock-Up Agreement.
- (d) ensure that at the time at which the Locked-Up Party tenders its Common Shares to the Offer, such Common Shares will be owned beneficially by the Locked-Up Party with a good and marketable title thereto, free and clear of any and all mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances and demands of any nature or kind whatsoever and will not be subject to any shareholders' agreements, voting trust or other similar agreements or any right or privilege

(whether by law, pre-emptive or contractual) capable of becoming a shareholders' agreement, voting trust or other agreement affecting such Common Shares or the ability of any holder thereof to exercise all ownership rights thereto, except pursuant to the Offer and the Lock-Up Agreement.

- (e) not do indirectly that which it may not do directly in respect of the restrictions on its rights with respect to its Common Shares pursuant to the Lock-Up Agreement by the sale of any direct or indirect holding company or the granting of a proxy on the shares of any direct or indirect holding company and which would have, indirectly, any effect prohibited by the Lock-Up Agreement.
- (f) except in respect of a Superior Proposal where the Company has complied with Section 6.1 of the Support Agreement and where the Lock-Up Agreement has subsequently been terminated, vote (or cause to be voted) all of the Locked-Up Party's Common Shares at any Shareholders' meeting or any adjournment thereof, and in any action with or by written consent of the Shareholders against any proposed action (A) in respect of any amalgamation, merger, sale of the Company's or its subsidiaries' assets, take-over bid, plan of arrangement, reorganization, recapitalization, shareholder rights plan, liquidation or winding-up of, reverse take-over or other business combination or similar transaction involving the Company or any of its subsidiaries, other than the Offer or a substitute transaction, or (B) which would reasonably be regarded as being directed towards or likely to prevent or delay the take up and payment of Common Shares deposited under the Offer or the successful completion of the Offer or a substitute transaction.

Each Lock-Up Agreement may be terminated prior to the Effective Time by notice in writing:

- (a) at any time by mutual consent of the Offeror and the Locked-Up Party;
- (b) by the Locked-Up Party:
 - (i) if any representation or warranty of the Offeror under the Lock-Up Agreement shall have been as at October 24, 2011 untrue or incorrect in any material respect or if the Offeror is in default of any covenant or obligation under the Lock-Up Agreement in any material respect, and, in each case, such inaccuracy or non-compliance is reasonably likely to prevent, restrict or materially delay consummation of the Offer and is not curable or, if curable, not cured by the earlier of the date which is five (5) Business Days from the date of written notice of such breach and the Business Day prior to the Expiry Date; or
 - (ii) if the Locked-Up Party's Common Shares have not been taken up and paid for by the Offeror, otherwise than as a result of the breach by the Locked-Up Party of any covenant or obligation under the Lock-Up Agreement or as a result of any representation or warranty of the Locked-Up Party in the Lock-Up Agreement being untrue or incorrect in any material respect, when required by applicable law or the Support Agreement; and
- (c) by the Offeror:
 - (i) if any representation or warranty of the Locked-Up Party under the Lock-Up Agreement shall have been at October 24, 2011 untrue or incorrect in any material respect or if the Locked-Up Party is in default of any covenant or obligation under the Lock-Up Agreement in any material respect, and, in each case, such inaccuracy or non-compliance is reasonably likely to prevent, restrict or materially delay consummation of the Offer and is not curable or, if curable, is not cured by the earlier of the date which is five (5) Business Days from the date of written notice of such breach and the Business Day prior to the Expiry Date; or
 - (ii) if any condition for the Offeror's benefit set out in the Support Agreement is not satisfied or waived.

Notwithstanding any other provision of the Lock-Up Agreement, the Lock-Up Agreement shall be automatically terminated if the Support Agreement is terminated in accordance with its terms. Upon termination

of a Lock-Up Agreement, the respective Locked-Up Party shall be entitled to withdraw any of its Common Shares deposited under the Offer and neither the Offeror nor the Locked-Up Party shall have any further rights or obligations under the Lock-Up Agreement provided, however, that any such termination shall not prejudice the rights of a party as a result of any breach by any other party of its obligations under the Lock-Up Agreement.

The Offeror has agreed, under the Lock-Up Agreement, that it will not, without the prior written consent of the Locked-Up Party: (i) decrease the amount of consideration or change the form of consideration per Common Share; or (ii) decrease the number of Common Shares in respect of which the Offer is made; provided that, for greater certainty, the Offeror may increase the total consideration per Common Share and/or add additional consideration per Common Share.

Employment Agreement with Raymond Stone

Contemporaneously with the execution of the Support Agreement, the Offeror and Raymond Stone entered into the RS Employment Agreement, which agreement is to be effective as of the Effective Time. The RS Employment Agreement outlines Mr. Stone's position and responsibilities and sets out the compensation terms of his employment, which generally, except as set forth below, are substantially consistent with his current employment agreement with Futuremed. The RS Employment Agreement has a term of two (2) years, commencing at the Effective Time (the "**Term**").

Pursuant to the RS Employment Agreement, Mr. Stone is eligible to earn a bonus of up to \$500,000 (the "**Retention Bonus**") provided that he meets both of the following conditions: (i) he devotes his full time and attention to promoting the success of the long-term care business; and (ii) he must not have resigned his employment and be actively employed on the date that is the second anniversary of the date of the RS Employment Agreement. With respect to condition (i) above, the Offeror agrees that in the event that Mr. Stone is not fulfilling such condition, that it shall provide him with written notice of this failure and a period of thirty (30) days within which to cure such conduct. The Retention Bonus shall be paid within thirty (30) days following the second anniversary of the RS Employment Agreement. In addition, as part of Mr. Stone's entitlement for termination without "Cause", Mr. Stone will be eligible for \$250,000, being one half of the Retention Bonus, provided that such termination occurs after the first anniversary of the RS Employment Agreement. Further, in the event that Mr. Stone voluntarily resigns on the date that is the first anniversary of the RS Employment Agreement, he shall be entitled to receive a payment of \$250,000. For the purposes of the RS Employment Agreement, "**Cause**" means any act or omission of the employee which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee including but not limited to, a material and willful breach by Mr. Stone of the RS Employment Agreement.

The Retention Bonus and the payment to Mr. Stone upon termination without Cause or upon his resignation, described above (collectively, the "**Benefits**") may constitute a "collateral benefit" received by a "related party" (in this case, Mr. Stone, being a director and officer of the Company) within the meaning of MI 61-101. To the extent that a related party receives a collateral benefit as a consequence of the Offer, the Offeror will not be entitled to vote any Common Shares that it acquires under the Offer from such related party in any Subsequent Acquisition Transaction. Further, the RS Employment Agreement may constitute a "collateral agreement" within the meaning of Multilateral Instrument 62-104 — *Take-Over Bids and Issuer Bids* ("**MI 62-104**") and Section 97.1 of the Securities Act. Ontario Securities Commission Rule 62-504 — *Take Over Bids and Issuer Bids* and MI 62-104 provide an exception from the prohibition on collateral agreements in respect of benefits received solely in connection with a securityholder's services as an employee, director or consultant of the offeree issuer where, among other things: (i) an independent committee of directors acting in good faith, determines that the securityholder is providing at least equivalent value in exchange for the benefit; and (ii) such independent committee's determination and the full particulars of the Benefits are disclosed in this Circular or in the Directors' Circular.

The Offeror was informed that, on October 24, 2011, Messrs. Duncan Gibson and John Gordon McLaughlin, being the independent directors comprising the special committee of the Futuremed Board of Directors received disclosure from Mr. Stone regarding the RS Employment Agreement. Based on their review of the terms of the RS Employment Agreement and their experience in the healthcare services industry, the special committee of the Futuremed Board of Directors determined that the Benefits are on terms consistent with arrangements made with individuals holding comparable positions in the industry generally, and have accordingly determined that Mr. Stone is providing at least equivalent value in exchange for the Benefits. In addition, the special committee of the Futuremed Board of Directors satisfied itself that (i) the Benefits are not conferred for the purpose, in whole or in part, of increasing the amount of the consideration paid to Mr. Stone for Common Shares deposited under the Offer or providing an incentive for him to deposit his Common Shares under the Offer; and (ii) the conferring of the Benefits is not, by its terms, conditional on Mr. Stone supporting the Offer in any manner. As a result, the special committee of the Futuremed Board of Directors determined that the RS Employment Agreement is exempt from the prohibition against “collateral agreements” in section 97.1 of the Securities Act and in MI 62-104.

The RS Employment Agreement also provides that Mr. Stone devote the required skill and attention necessary to carry out his duties, and sets out the particulars of his compensation package including a salary of \$350,000, eligibility to participate in a management incentive programme and a long-term incentive plan, certain other benefits, vacation, confidentiality obligations and provisions related to termination of employment. If Mr. Stone is terminated without “Cause”, he will be entitled to the following: (i) a lump sum amount equal to eighteen (18) months of his base salary plus an amount equal to 1.5 times his annual bonus, calculated at target; (ii) payments equal to the sum of any accrued but unpaid base salary for services rendered to the date of termination, his annual bonus for the year of termination, pro-rated for the period of active employment, any accrued but unpaid expenses incurred in accordance with the RS Employment Agreement and any vacation accrued to the date of termination; (iii) continued participation in benefits plans in which he was participating at the date of termination for a period of eighteen (18) months thereafter, subject to the terms and conditions of such plans; and (iv) in the event that he is terminated after the first anniversary of the RS Employment Agreement, a lump sum payment of \$250,000, being one half of the Retention Bonus.

Non-Competition Agreement with Raymond Stone

Contemporaneously with the execution of the Support Agreement, the Offeror and Raymond Stone also entered into the RS Non-Competition Agreement, which agreement is to be effective as of the Effective Time. The RS Non-Competition Agreement provides that for a four (4) year period following the Effective Time, Mr. Stone will not, without the prior written consent of the Offeror: (a) directly or indirectly, in any capacity whatsoever, carry on, be engaged in, have any financial or other interest in or be otherwise commercial involved in any endeavour, activity or business that is competitive with the Business in the provinces of British Columbia, Quebec, Saskatchewan or Ontario; (b) directly or indirectly, in any capacity whatsoever, solicit the business of, or supply any goods and services to, customers or prospective customers; (c) offer employment or solicit the employment of or otherwise entice away from the employment of the Offeror, any individual employed or contractor engaged by the Offeror; or (d) procure or assist any person to employ, offer employment or solicit the employment or engagement or otherwise entice away from the employment of the Offeror any individual employed or contractor engaged by the Offeror. The RS Non-Competition Agreement also provides that Mr. Stone will not, on his own behalf or on behalf of or in connection with any other person, directly or indirectly, in any capacity whatsoever, interfere or attempt to interfere with the Business or persuade or attempt to persuade any material supplier, customer or prospective customer of the Offeror to discontinue or alter in a material manner such person’s relationship with the Offeror.

Directors’ and Officers’ Insurance and Indemnification Arrangements

Pursuant to the Support Agreement, the Offeror has agreed that for the period from the Effective Time until six (6) years thereafter, the Offeror agrees that Futuremed may purchase at a cost not to exceed 300% of the annual premiums currently paid by Futuremed for such insurance as an extension to Futuremed’s current

insurance policies, pre-paid non-cancellable run-off directors' and officers' liability insurance. If such insurance would require an expenditure in excess of 300% of the annual premiums currently paid by Futuremed, then Futuremed may obtain the maximum insurance that can be acquired for such threshold amount. Existing run-off directors' and officers' liability insurance has been purchased by Futuremed in respect of any claims arising from events that occurred for the period prior to January 1, 2011.

The Offeror has agreed to cause Futuremed to keep current indemnity agreements in place and perform the obligations thereunder (including, without limitation, in respect of the run-off directors' and officers' liability insurance referenced above) for directors and officers of Futuremed and its subsidiaries at the Effective Time and former directors and officers of Futuremed and its subsidiaries (or any successors thereof) (collectively, the "**Indemnified Parties**"). The Offeror shall cause Futuremed and its subsidiaries (or any successors thereof) jointly and severally to indemnify such Indemnified Parties, to the fullest extent under their respective constating documents and applicable law, from all claims in connection with the Offer or the Transactions or otherwise in connection with Futuremed, its subsidiaries, and their respective businesses and properties, provided that such Indemnified Parties acted honestly and in good faith with a view to the best interests of Futuremed and its subsidiaries.

11. Material Changes and Other Information Concerning Futuremed

The Offeror has no information that indicates any material change in the affairs of Futuremed since the date of the last published financial statements of Futuremed other than as disclosed in the Circular and such other material changes as have been publicly disclosed by Futuremed. The Offeror has no knowledge of any material fact concerning securities of Futuremed that has not been generally disclosed by Futuremed or any other matter that has not previously been generally disclosed but which would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

Cardinal Health and Futuremed are parties to a Confidentiality Agreement, pursuant to which Futuremed granted access to Cardinal Health and its representatives and agents to perform due diligence on Futuremed in contemplation of a potential business combination transaction involving Futuremed. Pursuant to the Support Agreement, the Company has consented to the making of the Offer and the consummation of the transactions contemplated in the Support Agreement.

12. Authorized Share Capital and Dividend Policy

Authorized Share Capital

The authorized share capital of Futuremed consists of (i) an unlimited number of Common Shares, and (ii) one special share.

The special share is entitled to one million votes and discretionary dividends in priority to Common Shares, is redeemable at \$10.00 per special share and is entitled to the redemption amount on liquidation, dissolution or winding-up of the Company, in priority to Common Shares. The special share was cancelled pursuant to a plan of arrangement (the "**Arrangement**") under the OBCA, and pursuant to the articles of incorporation of the Company, no further issuances of special shares are permitted.

Each Common Share entitles the holder thereof to one vote at any meeting of Shareholders, except meetings at which only holders of a specified class of shares are entitled to vote. Shareholders are entitled to receive, as and when declared by the Futuremed Board of Directors, dividends in such amounts as determined by the Futuremed Board of Directors. Shareholders have the right to receive the remaining property of the Company in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

In the Support Agreement, Futuremed has represented to Cardinal Health and the Offeror that, as at October 24, 2011, there were 15,280,189 Common Shares issued and outstanding and no Options were issued and outstanding.

Dividend Policy

Based on publicly available information, Futuremed declares quarterly dividends. In 2011, a dividend of \$0.16875 was paid to Shareholders on each of April 20, 2011, July 20, 2011 and October 20, 2011.

Futuremed has agreed in the Support Agreement not to declare, set aside, or pay, authorize or make any distribution, payment or dividend on any of its Common Shares without the written consent of the Offeror, other than quarterly cash dividends in the ordinary course consistent with past practice of no more than \$0.16875 per Common Share per quarter.

13. Price Range and Trading Volume of Common Shares

The Common Shares are listed and posted for trading on the TSX. In the Support Agreement, Futuremed has represented to Cardinal Health and the Offeror that, as at October 24, 2011, there were 15,280,189 Common Shares outstanding. The following tables set forth the high and low trading prices in Canadian dollars and the aggregate volume of trading of the Common Shares on the TSX for the periods indicated:

<u>2011</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
November (up until November 10)	\$8.12	\$8.10	565,514
October	\$8.16	\$5.14	5,461,392
September	\$7.29	\$5.92	636,220
August	\$8.10	\$6.89	640,319
July	\$8.27	\$7.86	571,940
June	\$8.17	\$7.21	892,093
May	\$8.01	\$6.63	1,074,261

The closing price of the Common Shares on October 24, 2011, the last trading day prior to the announcement of the execution of the Support Agreement, was \$6.20. The Offer Consideration represents a premium of approximately 31% over this closing price. The Offer Consideration also represents a premium of approximately 37% over the volume weighted average trading price of the Common Shares on the TSX for the 20 trading days ending on October 24, 2011.

14. Effect of the Offer on Market and Listings

The purchase of Common Shares by the Offeror pursuant to the Offer will reduce the number of Common Shares that might otherwise trade publicly and will reduce the number of holders of Common Shares and, depending on the number of Common Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of the remaining Common Shares held by the public.

The rules and regulations of the TSX establish certain criteria which, if not met, could, upon successful completion of the Offer, lead to the delisting of the Common Shares from the exchange. Among such criteria is the number of Shareholders, the number of Common Shares publicly held and the aggregate market value of the Common Shares publicly held. Depending on the number of Common Shares purchased under the Offer, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSX. If this were to happen, the Common Shares could be delisted and this could, in turn, materially adversely affect the market or result in a lack of an established market for such Common Shares.

If permitted by applicable law, subsequent to completion of the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction, if necessary, the Offeror intends to apply to delist the Common Shares from the TSX. If the Common Shares are delisted from the TSX, the extent of the public market for the Common Shares and the availability of price or other quotations would depend upon the number of Shareholders, the number of Common Shares publicly held and the aggregate market value of the Common Shares remaining at such time, the interest in maintaining a market in Common Shares on the part of securities firms, whether Futuremed remains subject to public reporting requirements in Canada and other factors.

After the purchase of the Common Shares under the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, Futuemed may cease to be subject to the public reporting and proxy solicitation requirements of the OBCA and the securities laws of all the provinces and territories of Canada or may request to cease to be a reporting issuer under the securities laws of each province and territory of Canada. See “Purpose of the Offer” in Section 5 of this Circular.

15. Regulatory Matters

The Offeror’s obligation to take up and pay for Common Shares deposited under the Offer is conditional upon certain government or regulatory approvals, waiting or suspensory periods, waivers, permits, consents, reviews, orders, rulings, decisions, and exemptions required by law, policy or practice, including those of any Securities Regulatory Authorities or stock exchanges or other regulatory authorities and the Competition Act Approval, having been obtained on terms satisfactory to the Offeror, acting reasonably. See “Conditions of the Offer” in Section 4 of the Offer.

In respect of the Competition Act Approval, the parties have agreed to:

- (a) file, or cause to be filed, all filings with Governmental Authorities under any Competition Laws that are necessary or advisable for the consummation of the Transactions, including any merger notification filings or other submissions pursuant to the Competition Act;
- (b) use their respective commercially reasonable efforts and cooperate fully with each other to: (i) make or cause to be made such filings promptly following the execution of the Support Agreement; (ii) respond at the earliest date reasonably possible to any requests for additional information or documentary material made by the Competition Commissioner or any other Governmental Authority; (iii) take such actions as are necessary or advisable to obtain Competition Act Approval at the earliest date reasonably possible; and (iv) take such actions as are necessary or advisable to avoid or eliminate impediments under any Competition Laws, all so as to enable the consummation of the Transactions to occur as soon as reasonably possible (and in any event in advance of the Outside Date); and
- (c) in connection with the notifications, filings, applications or other submissions under the Competition Act or any Competition Laws, use their respective commercially reasonable efforts, subject to all applicable laws relating thereto and to the exchange of privileged, confidential or competitively-sensitive information, to: (i) permit the other party to review in advance any proposed communication to any Governmental Authority; (ii) keep the other party promptly informed of any material communication received by such party from, or given by such party to, the relevant Governmental Authorities and any material communication received or given in connection with any proceeding by a private party; and (iii) to consult with the other party in advance of and give the other party the opportunity to attend and participate in meetings and conferences with the Governmental Authorities with respect to the Transactions.

Other than to the extent any laws expressly require the Company or any of its subsidiaries to obtain any consent, clearance or approval of any Governmental Authority or to make any filing with any Governmental Authority, the Offeror shall be solely responsible for making all such filings and otherwise pursuing all required consents, clearances and approvals from Governmental Authorities which are required to consummate the Transactions and the Offeror has agreed to advise the Company of any filings or notices made or other communications given or received in connection with such consents, clearances and approvals.

All filing, notice, consent and any other administrative fees, disbursements, costs, charges or expenses, paid or payable to the applicable Governmental Authorities pursuant to the Competition Act in connection with the notifications, filings, applications or other submissions under the Competition Act or any Competition Laws, will be borne, in each and every case, equally by the Offeror and the Company.

16. Acquisition of Common Shares Not Deposited Under the Offer

Subject to the terms of the Support Agreement, if the Offeror takes up and pays for Common Shares under the Offer, the Offeror will, as soon as practicable, but in any event within one hundred and twenty (120) days after the completion of the Offer, pursue and consummate a Subsequent Acquisition Transaction to acquire the remaining Common Shares; provided, however, that if, as of the final expiration of the Offer, the Offer has been accepted by Shareholders holding a sufficient number of the outstanding Common Shares to enable the Offeror to engage in a Compulsory Acquisition, the Offeror will complete as soon as practicable the Compulsory Acquisition. There can be no assurances that such transactions will be completed.

Compulsory Acquisition

If, within 120 days after the date of the Offer, the Offer is accepted by Shareholders holding not less than 90% of the issued and outstanding Common Shares (calculated on a fully-diluted basis), other than any Common Shares held at the date of the Offer by or on behalf of the Offeror or an affiliate or associate of the Offeror, and the Offeror acquires such Deposited Common Shares, then the Offeror will acquire, pursuant to the provisions of section 188 of the OBCA, the remainder of the Common Shares held by each Shareholder who did not accept the Offer (a “**Dissenting Shareholder**”) (including any person who subsequently acquires any such shares), on the same terms, including price, as the Common Shares that were acquired under the Offer (a “**Compulsory Acquisition**”). To exercise this statutory right, the Offeror must give notice (the “**Offeror Notice**”), of such proposed acquisition in the form required under section 188(2) of the OBCA to each Dissenting Shareholder of such proposed Compulsory Acquisition within six months after the date of the Offer. Concurrently with sending the Offeror Notice, the Offeror must also send to Futuremed a copy of the Offeror Notice which constitutes a demand that Futuremed not register a transfer with respect to Common Shares held by a Dissenting Shareholder.

Within 20 days after receipt of the Offeror’s Notice, each Offeree must: (a) send the certificates evidencing the Common Shares held by such Offeree to Futuremed; and (b) elect either to transfer such Common Shares to the Offeror on the same terms on which the Offeror acquired Deposited Common Shares from Shareholders who accepted the Offer or to demand payment of the fair value of the Common Shares by so notifying the Offeror within such 20 day period. If an Offeree fails to notify the Offeror within the applicable time period, such Offeree will be deemed to have elected to transfer its Common Shares to the Offeror on the same terms on which the Offeror acquired the Common Shares from the Shareholders who accepted the Offer. If an Offeree has elected to demand payment of the fair value of its Common Shares, the Offeror may, within 20 days after making the payment or transfer of consideration to Futuremed referred to above, apply to a court having jurisdiction to hear the application to fix the fair value of the Common Shares of that Offeree. If the Offeror fails to apply to such court within such 20 day period, the Offeree may then apply to the court within a further period of 20 days to have the court fix the fair value of the Common Shares. If no such application is made by the Offeree or the Offeror within such periods, the Offeree will be deemed to have elected to transfer its Common Shares to the Offeror on the same terms on which the Offeror acquired Deposited Common Shares from Shareholders who accepted the Offer. Any judicial determination of the fair value of the Common Shares could be more or less than the amount of consideration per Common Share paid pursuant to the Offer.

The foregoing is only a summary of the Compulsory Acquisition procedure which may become available to the Offeror. The summary is not intended to be complete and is qualified in its entirety by the provisions of section 188 of the OBCA. Shareholders should refer to section 188 of the OBCA for the full text of the relevant statutory provisions, and those who wish to be better informed about those provisions should consult their own legal advisors. Section 188 of the OBCA is complex and may require strict adherence to notice and timing provisions, failing which the rights available thereunder may be lost or altered.

Subsequent Acquisition Transaction

If the Offeror takes up and pays for Common Shares validly deposited under the Offer and the statutory right of Compulsory Acquisition described above is not available for any reason, the Offeror will take such action as is necessary, including causing one or more special meeting(s) of Shareholders to be called to consider an amalgamation, statutory arrangement, amendment to articles, consolidation, capital reorganization or other transaction involving the Company and the Offeror, or an affiliate of the Offeror, for the purpose of enabling the Offeror or an affiliate of the Offeror to acquire all Common Shares not acquired pursuant to the Offer (a “**Subsequent Acquisition Transaction**”). Under such a Subsequent Acquisition Transaction, the Company may continue as a separate subsidiary of the Offeror following the completion of any such transaction. The timing and details of any such transaction will depend on a number of factors, including the number of Common Shares acquired pursuant to the Offer. If the Offeror takes up and pays for 66 $\frac{2}{3}$ % of the Common Shares outstanding, on a fully-diluted basis, under the Offer, the Offeror will own sufficient Common Shares to effect a Subsequent Acquisition Transaction.

MI 61-101 may deem a Subsequent Acquisition Transaction to be a “business combination” if such Subsequent Acquisition Transaction would result in the interest of a holder of Common Shares being terminated without the consent of the holder, irrespective of the nature of the consideration provided in substitution therefor. The Offeror expects that any Subsequent Acquisition Transaction relating to Common Shares will be a “business combination” under MI 61-101. In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be “related party transactions”. However, if the Subsequent Acquisition Transaction is a “business combination” carried out in accordance with MI 61-101 or an exemption therefrom, the “related party transaction” provisions therein do not apply to such transaction. Following completion of the Offer, the Offeror may be a “related party” of the Company for the purposes of MI 61-101. The Offeror intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or exemptions therefrom, such that the “related party transaction” provisions of MI 61-101 will not apply to such Subsequent Acquisition Transaction.

MI 61-101 provides that, unless exempted, a corporation proposing to carry out a business combination is required to prepare a valuation of the affected securities (and any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of such valuation. The Offeror currently intends to rely on available exemptions (or, if such exemptions are not available, to seek waivers pursuant to MI 61-101 exempting the Company and the Offeror or one or more of its affiliates, as appropriate) from the valuation requirements of MI 61-101. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the expiry date of an offer provided that the consideration per security under such transaction is at least equal in value to and is in the same form as the consideration that tendering securityholders were entitled to receive in the take-over bid and provided that certain disclosure is provided in the take-over bid circular (and which disclosure has been provided herein). The Offeror expects that these exemptions will be available.

Depending on the nature and terms of the Subsequent Acquisition Transaction, the provisions of the OBCA and the Company’s constating documents may require the approval of 66 $\frac{2}{3}$ % of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. MI 61-101 would also require that, in addition to any other required security holder approval, in order to complete a business combination, the approval of a simple majority of the votes cast by “minority” shareholders of each class of affected securities must be obtained unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities. If, however, following the Offer, the Offeror is the registered holder of 90% or more of the Common Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the transaction if an enforceable appraisal right or substantially equivalent right is made available to minority Shareholders.

In relation to the Offer and any business combination, the “minority” Shareholders will be, unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities, all

Shareholders other than the Offeror, any interested party (within the meaning of MI 61-101), a “related party” of the Offeror or any other “interested party”, unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither “interested parties” nor “issuer insiders” (in each case within the meaning of MI 61-101) of the issuer, and any “joint actor” (within the meaning of MI 61-101) with any of the foregoing persons. MI 61-101 also provides that the Offeror may treat Common Shares acquired under the Offer as “minority” shares and vote them, or to consider them voted, in favour of such business combination if, among other things (a) the business combination is completed not later than 120 days after the Expiry Date; (b) the consideration per security in the business combination is at least equal in value to and in the same form as the consideration paid under the Offer; (c) certain disclosure is provided in the take-over bid circular (and which disclosure is provided herein); and (d) the Shareholder who tendered such Common Shares to the Offer was not (i) a “joint actor” (within the meaning of MI 61-101) with the Offeror in respect of the Offer, (ii) a direct or indirect party to any “connected transaction” (within the meaning of MI 61-101) to the Offer, or (iii) entitled to receive, directly or indirectly, in connection with the Offer, a “collateral benefit” (within the meaning of MI 61-101) or consideration per Common Share that is not identical in amount and form to the entitlement of the general body of holders in Canada of Common Shares. The Offeror currently intends (x) that the consideration offered per Common Share under any Subsequent Acquisition Transaction proposed by it would be equal in value to and in the same form as the consideration paid to Shareholders under the Offer; (y) that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Date; and (z) to cause any Common Shares acquired under the Offer to be voted in favour of any such transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such transaction.

Any such Subsequent Acquisition Transaction may also result in Shareholders having the right to dissent in respect thereof and demand payment of the fair value of their Common Shares. The exercise of such right of dissent, if certain procedures are complied with by the holder, could lead to a judicial determination of fair value required to be paid to such dissenting Shareholder for its Common Shares. The fair value so determined could be more or less than the amount paid per Common Share pursuant to such transaction or pursuant to the Offer. The exact terms and procedures of the rights of dissent available to Shareholders will depend on the structure of the Subsequent Acquisition Transaction and will be fully described in the proxy circular or other disclosure document provided to Shareholders in connection with the Subsequent Acquisition Transaction.

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ significantly from the tax consequences to such Shareholder of accepting the Offer. See “Certain Canadian Federal Income Tax Considerations” in Section 17 of this Circular.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to a Subsequent Acquisition Transaction.

Legal and Judicial Developments

On February 1, 2008, MI 61-101 came into force in the Provinces of Ontario and Quebec, introducing harmonized requirements for enhanced disclosure, independent valuations and majority of minority security holder approval for specified types of transactions. See “Subsequent Acquisition Transaction” above.

Certain judicial decisions may also be considered relevant to any Subsequent Acquisition Transaction that may be proposed or effected subsequent to the expiry of the Offer. Canadian courts have, in a few instances prior to the adoption of MI 61-101 and its predecessors, granted preliminary injunctions to prohibit transactions involving certain going-private transactions. The present trends in both legislation and Canadian jurisprudence indicate a willingness to permit going-private transactions to proceed, subject to evidence of procedural and substantive fairness in the treatment of minority shareholders.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction that may constitute a business combination.

17. Certain Canadian Federal Income Tax Considerations

In the opinion of Stikeman Elliott LLP, counsel to Cardinal Health and the Offeror, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Shareholder who sells Common Shares pursuant to the Offer or otherwise disposes of Common Shares pursuant to certain transactions described under “Acquisition Of Common Shares Not Deposited Under The Offer” in Section 16 of this Circular and who, at all relevant times, for the purposes of the Tax Act: (a) deals at arm’s length with the Offeror and Futuremed; (b) is not affiliated with the Offeror or Futuremed; and (c) holds the Common Shares as capital property.

Common Shares will generally be considered to be capital property to a Shareholder unless such Common Shares are held in the course of carrying on a business or were acquired in one or more transactions considered to be an adventure in the nature of trade. Certain Shareholders who are resident in Canada for the purposes of the Tax Act and whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have their Common Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Shareholder in the taxation year of the election, and in all subsequent taxation years, deemed to be capital property. Shareholders who do not hold their Common Shares as capital property should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available and advisable in their particular circumstances.

This summary is based on the current provisions of the Tax Act and counsel’s understanding of the current published administrative and assessing practices of the Canada Revenue Agency (the “CRA”). This summary also takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”), and assumes all such Proposed Amendments will be enacted in their present form. No assurances can be given that the Proposed Amendments will be enacted in the present form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in law, whether by judicial, governmental or legislative action or decision, or changes in the administrative practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

This summary is not applicable to a Shareholder: (i) that is a “financial institution” for purposes of the “mark-to-market property” rules; (ii) that is a “specified financial institution”; (iii) an interest in which is a “tax shelter investment”; or (iv) that has elected, or may elect, to report its “Canadian tax results” in a currency other than Canadian currency, as each of these terms is defined in the Tax Act. Such Shareholders should consult their own tax advisors.

This summary assumes that no payment will be made for any Shareholder Rights and that no part of the consideration to be paid by the Offeror for Common Shares will be allocated to the Shareholder Rights.

This summary is not exhaustive of all Canadian federal income tax considerations and is of a general nature only. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder, and no representations with respect to the tax consequences to any particular Shareholder are made. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or other local tax authority.

Shareholders Resident in Canada

This portion of the summary is generally applicable to a Shareholder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be, resident in Canada (a “**Resident Shareholder**”).

Sale Pursuant to the Offer

Generally, a Resident Shareholder who disposes of Common Shares to the Offeror pursuant to the Offer will realize a capital gain (or capital loss) equal to the amount by which the Resident Shareholder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Common Shares to the Resident Shareholder immediately before the time of disposition.

A Resident Shareholder generally will be required to include, in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Shareholder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition generally may be carried back and deducted by the Resident Shareholder in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

In general, a capital loss otherwise arising upon the disposition of a Common Share by a Resident Shareholder that is a corporation may be reduced by dividends previously received or deemed to have been received by it on such Common Share, to the extent and under the circumstances prescribed in the Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares or where a partnership or trust of which a corporation is a member or a beneficiary is a member of a partnership or a beneficiary of a trust that owns Common Shares. Resident Shareholders to whom these rules may be relevant should consult their own tax advisors.

A Resident Shareholder that throughout the taxation year is a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional 6 $\frac{2}{3}$ % refundable tax on certain investment income, including an amount in respect of taxable capital gains.

Capital gains realized by an individual or a trust, other than certain specified trusts, may give rise to a liability for alternative minimum tax under the Tax Act. Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax provisions.

Compulsory Acquisition of Common Shares

As described under "Acquisition of Common Shares Not Deposited Under the Offer — Compulsory Acquisition" in Section 16 of this Circular, the Offeror may, in certain circumstances, acquire Common Shares not deposited under the Offer pursuant to a Compulsory Acquisition. A Resident Shareholder who disposes of Common Shares in such circumstances generally will realize a capital gain (or a capital loss) calculated in the manner and subject to the treatment described above under "Sale Pursuant to the Offer".

A Resident Shareholder who dissents in a Compulsory Acquisition and is entitled to receive the fair value of its Common Shares will be considered to have disposed of the Common Shares for proceeds of disposition equal to the amount fixed as such by the court (excluding the amount of any interest awarded by the court). As a result, such dissenting Resident Shareholder will realize a capital gain (or a capital loss) generally calculated in the same manner and with the tax consequences as described above under "Sale Pursuant to the Offer".

Any interest awarded to a dissenting Resident Shareholder by a court will be included in computing such Resident Shareholder's income for the purposes of the Tax Act.

Resident Shareholders whose Common Shares may be acquired in these circumstances should consult their own tax advisors in this regard.

Subsequent Acquisition Transaction

As described under “Acquisition of Common Shares Not Deposited Under the Offer — Subsequent Acquisition Transaction” in Section 16 of this Circular, if the Offeror does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares. Such means include an amalgamation, arrangement, capital reorganization, share consolidation, or other transaction. The tax treatment of a Subsequent Acquisition Transaction to a Resident Shareholder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out. Resident Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

A Subsequent Acquisition Transaction could be implemented by means of the Offeror transferring its Common Shares to one or more affiliates of the Offeror followed by a subsequent amalgamation of Futuremed with one or more affiliates of the Offeror pursuant to which Shareholders who have not tendered their Common Shares under the Offer would have their Common Shares exchanged on the amalgamation for redeemable preference shares of the amalgamated corporation (the “**Redeemable Shares**”) which would then be immediately redeemed for cash. A Resident Shareholder generally would not realize a capital gain or capital loss as a result of the exchange on the amalgamation, and the Resident Shareholder’s aggregate cost of the Redeemable Shares received would be equal to the aggregate of the adjusted cost base of the Common Shares to the Resident Shareholder immediately before the amalgamation. Upon the redemption of the Redeemable Shares, the holder thereof would generally be deemed to have received a dividend (subject to the potential application of subsection 55(2) of the Tax Act to holders of such Redeemable Shares that are corporations, as discussed below) equal to the amount by which the redemption price of the Redeemable Shares exceeds the paid-up capital in respect of such Redeemable Shares, as that term is defined in the Tax Act. The difference between the redemption price and the amount of the deemed dividend would be treated as proceeds of disposition of such Redeemable Shares for the purpose of computing any capital gain or capital loss arising on the redemption of such Redeemable Shares. The tax consequences in respect of any such capital gain or capital loss generally would be as described above under “Sale Pursuant to the Offer”.

Subsection 55(2) of the Tax Act provides that where a Resident Shareholder that is a corporation is deemed to receive a dividend under the circumstances described above, all or part of the deemed dividend may be deemed not to be a dividend and instead may be treated as proceeds of disposition of the Redeemable Shares for the purposes of computing the Resident Shareholder’s capital gain on the disposition of Redeemable Shares. Accordingly, Resident Shareholders that are corporations should consult their own tax advisors for specific advice with respect to the potential application of this provision to them. Subject to the potential application of this provision, dividends deemed to be received by a Resident Shareholder that is a corporation as a result of the redemption of the Redeemable Shares will be included in computing the corporation’s income, but normally will also be deductible in computing the corporation’s taxable income.

A Resident Shareholder that is a “private corporation” or a “subject corporation” (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax of 33 1/3% on dividends deemed to be received on the Redeemable Shares to the extent that such dividends are deductible in computing the Resident Shareholder’s taxable income. Dividends deemed to be received by a Resident Shareholder who is an individual (including a trust) as a result of the redemption of the Redeemable Shares will be included in computing the Resident Shareholder’s income, and will be subject to the gross-up and dividend tax credit rules generally applicable to taxable dividends received from a taxable Canadian corporation, including the enhanced gross up and dividend tax credit for “eligible dividends”. A dividend is eligible for purposes of the enhanced gross up and dividend tax credit if the paying corporation designates the dividend as an eligible dividend. There may be limitations on the ability of a corporation to designate dividends as eligible dividends.

In the event that the Offeror decides to implement a Subsequent Acquisition Transaction by means of an amalgamation as described above, the Offeror’s current intention is to effectively allocate to the Redeemable

Shares an amount of paid-up capital equal to the aggregate redemption price of such Redeemable Shares, with the result that, upon the redemption of a Redeemable Share, the holder thereof (i) would realize a capital gain (or capital loss) to the extent that the redemption price of such share exceeds (or is less than) the aggregate of the adjusted cost base to the holder of such share and any reasonable costs of disposition, and (ii) would not be deemed to have received a dividend. However, no assurances can be given in this regard.

Under the current administrative practice of the CRA, Resident Shareholders who exercise their statutory right of dissent in respect of an amalgamation should be considered to have disposed of their Common Shares for proceeds of disposition equal to the amount paid by the amalgamated corporation to the dissenting Resident Shareholder in respect of such Common Shares (excluding any interest awarded by a court). However, because of uncertainty under the relevant legislation as to whether such amounts paid to a dissenting Resident Shareholder would be treated entirely as proceeds of disposition, or in part as the payment of a deemed dividend, dissenting Resident Shareholders should consult with their own tax advisors in this regard. Any interest awarded to the Resident Shareholder by a court will be included in the Resident Shareholder's income for the purposes of the Tax Act.

A Subsequent Acquisition Transaction could also be implemented by means of a capital reorganization of Futuremed pursuant to which Resident Shareholders who have not tendered their Common Shares under the Offer would have their Common Shares exchanged for special shares of Futuremed (the "**Special Shares**") which would then be immediately sold to the Offeror for cash. A Resident Shareholder generally would not realize a capital gain or capital loss as a result of such exchange, and the cost of the Special Shares received would be equal to the aggregate of the adjusted cost base of the Common Shares to the Resident Shareholder immediately before the exchange. Upon the sale of the Special Shares, the Resident Shareholder would realize a capital gain (or a capital loss) calculated in the manner and subject to the treatment described above under "Sale Pursuant to the Offer", but Resident Shareholders whose Special Shares may be so acquired should consult their own tax advisors in this regard.

Resident Shareholders who exercise their statutory right of dissent in respect of a capital reorganization and are paid the fair value of the shares by Futuremed will be deemed to have received a dividend to the extent that the amount received (less the amount of any interest ordered by a court) exceeds the paid-up capital of the Common Shares for purposes of the Tax Act. The difference between the amount received (less the amount of any interest ordered by a court) and the amount of the deemed dividend would be treated as proceeds of disposition of the Common Shares for the purpose of computing any capital gain or capital loss arising on the disposition of the Common Shares. The tax consequences in respect of any such capital gain or capital loss generally would be as described above under "Sale Pursuant to the Offer". The tax treatment of any dividend deemed to have been received in such circumstances generally will be the same as the tax treatment of dividends deemed to have been received on the redemption of Redeemable Shares, as described above.

A Subsequent Acquisition Transaction could also be implemented by means of a share consolidation of Futuremed pursuant to which Shareholders who have not tendered their Common Shares under the Offer would have their Common Shares exchanged for a fraction of a Share in respect of which such Shareholders would receive a cash payment. A Shareholder whose Common Shares are consolidated and who receives a cash payment from Futuremed would generally be deemed to have received a taxable dividend (subject to the potential application of subsection 55(2) of the Tax Act to Shareholders that are corporations, as discussed above) equal to the amount by which such cash payment exceeds the paid-up capital for purposes of the Tax Act of the Common Shares that are exchanged. The difference between the cash received and the amount of the deemed dividend would be treated as proceeds of disposition of such Common Shares. The tax consequences in respect of any such capital gain or capital loss generally would be as described above under "Sale Pursuant to the Offer". The tax treatment of any dividend deemed to have been received in such circumstances generally would be the same as the tax treatment of dividends deemed to have been received on the redemption of Redeemable Shares, as described above.

Shareholders who exercise their statutory right of dissent in respect of a consolidation and are paid the fair value of their Common Shares by Futuremed will be deemed to have received a dividend to the extent that the amount received (less the amount of any interest awarded by a court) exceeds the paid-up capital of the Common Shares for purposes of the Tax Act. The difference between the amount received (less the amount of any interest awarded by a court) and the amount of the deemed dividend will be treated as proceeds of disposition of the Common Shares for the purpose of computing any capital gain or capital loss arising on the disposition of such Common Shares. The tax treatment of any dividend deemed to have been received in such circumstances generally would be the same as the tax treatment of dividends deemed to have been received on the redemption of Redeemable Shares, as described above.

As an alternative to the amalgamation, capital reorganization or share consolidation discussed herein, the Offeror may propose a Subsequent Acquisition Transaction to be effected by a statutory arrangement or other transaction, the tax consequences of which may differ from those arising on the sale of Common Shares under the Offer or an amalgamation, capital reorganization or share consolidation and will depend on the particular form and circumstances of such alternative transaction. No view is expressed herein as to the tax consequences of any such transaction to a Resident Shareholder.

Qualified Investment

As described under “Effect of the Offer on Market and Listings” in Section 14 of this Circular, the Common Shares may cease to be listed on the TSX following the completion of the Offer. Resident Shareholders are cautioned that the Common Shares will cease to be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plan, deferred profit sharing plans and tax-free savings accounts if the Common Shares are no longer listed on a designated stock exchange (which currently includes the TSX) and Futuremed ceases to be a “public corporation” for purposes of the Tax Act.

Shareholders Not Resident in Canada

The following summary is generally applicable to a Shareholder who, for the purposes of the Tax Act and at all relevant times, is not resident or deemed to be resident in Canada and does not use or hold, and is not deemed to use or hold, Common Shares in connection with carrying on a business in Canada (a “**Non-Resident Shareholder**”). Special rules not discussed in this summary may apply to a non-resident insurer carrying on an insurance business in Canada and elsewhere, and any such insurers should consult their own tax advisors.

Sale Pursuant to the Offer

A Non-Resident Shareholder who disposes of Common Shares to the Offeror pursuant to the Offer will not be subject to tax under the Tax Act on any capital gain realized on the disposition of such Common Shares provided the Common Shares are not “taxable Canadian property” (as defined in the Tax Act) to the Non-Resident Shareholder at the time of the disposition of such Common Shares.

Generally, Common Shares will not constitute taxable Canadian property of a Non-Resident Shareholder at a particular time provided that: (i) the Common Shares are listed at that time on a designated stock exchange (which currently includes the TSX); (ii) at no time during the 60-month period that ends at that particular time: (a) were 25% or more of the issued shares of any class or series of the capital stock of the Company owned by or belonged to any combination of the Non-Resident Shareholder, and persons with whom the Non-Resident Shareholder did not deal at arm’s length, (for the purposes of the Tax Act), and (b) was more than 50% of the fair market value of the Common Shares derived directly or indirectly from one, or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), or options in respect of, or interests in, or for civil law rights in, property in any of the foregoing (whether or not the property exists); and (iii) the Common Shares are not

otherwise deemed under the Tax Act to be taxable Canadian property. Common Shares may be deemed to constitute taxable Canadian property to a Non-Resident Shareholder in certain circumstances specified under the Tax Act. Even if the Common Shares are taxable Canadian property to a Non-Resident Shareholder, any capital gain realized upon the disposition or deemed disposition thereof may not be subject to tax under the Tax Act if such gain is exempt from tax pursuant to the provisions of an applicable income tax treaty or convention. Non-Resident Shareholders should consult their own advisors with respect to the availability of any relief under the terms of an applicable income tax treaty or convention in their particular circumstances.

In the event that the Common Shares constitute taxable Canadian property to a Non-Resident Shareholder and any capital gain otherwise realized upon a disposition of such Common Shares to the Offeror is not exempt from Canadian tax by virtue of an applicable income tax treaty or convention, then in such circumstances, the tax consequences as described above under “Shareholders Not Resident in Canada — Sale Pursuant to the Offer” will generally apply. Such Non-Resident Shareholders whose Common Shares are taxable Canadian property should consult their own tax advisors in this regard.

Compulsory Acquisition

As described under “Acquisition of Common Shares Not Deposited Under the Offer — Compulsory Acquisition” in Section 16 of this Circular, the Offeror may, in certain circumstances, acquire Common Shares not deposited under the Offer pursuant to a Compulsory Acquisition. Subject to the discussion below under “Delisting of Common Shares Following Completion of the Offer”, the Canadian federal income tax consequences to a Non-Resident Shareholder who disposes of Common Shares in such circumstances generally will be as described above under “Shareholders Not Resident in Canada — Sale Pursuant to the Offer”. Non-Resident Shareholders whose Common Shares may be acquired in these circumstances should consult their own tax advisors in this regard.

Subsequent Acquisition Transaction

As described under “Acquisition of Common Shares Not Deposited Under the Offer — Subsequent Acquisition Transaction” in Section 16 of this Circular, if the Offeror does not acquire all of the Common Shares pursuant to the Offer or by means of a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining issued and outstanding Common Shares.

The tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Shareholder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out and may be substantially the same as or materially different than described above. A Non-Resident Shareholder may realize a capital gain or a capital loss and/or be deemed to receive a dividend pursuant to a Subsequent Acquisition Transaction, as discussed above under “Shareholders Resident in Canada — Subsequent Acquisition Transaction”. Whether or not a Non-Resident Shareholder would be subject to tax under the Tax Act on any such capital gain would depend on whether the Common Shares, Redeemable Shares, Special Shares or fractional shares, as the case may be, are “taxable Canadian property” to the Non-Resident Shareholder for purposes of the Tax Act and whether the Non-Resident Shareholder is entitled to relief under an applicable income tax treaty or convention and other circumstances at that time (see in particular the discussion below under “Delisting of Common Shares Following Completion of the Offer”). Dividends paid or deemed to be paid to a Non-Resident Shareholder will be subject to Canadian withholding tax at a rate of 25%. Such rate may be reduced under the provisions of an applicable income tax convention. For example, where the Non-Resident Shareholder is a United States resident entitled to the benefits of the Canada-US Income Tax Convention, and is the beneficial owner of the dividends, the applicable rate is generally reduced to 15%. Non-Resident Shareholders should consult their own tax advisors for advice with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Acquisition Transaction.

Any interest paid to a Non-Resident Shareholder exercising its right to dissent in respect of a Subsequent Acquisition Transaction generally will not be subject to Canadian withholding tax.

Delisting of Common Shares Following Completion of the Offer

As described above under “Effect of the Offer on the Market and Listings” in Section 14 of this Circular, the Common Shares may cease to be listed on the TSX following the completion of the Offer and may not be listed on the TSX at the time of their disposition by a Non-Resident Shareholder pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction. Non-Resident Shareholders are cautioned that if the Common Shares, Redeemable Shares, Special Shares or fractional shares, as the case may be, are not listed or deemed to be listed on a designated stock exchange (which currently includes the TSX) at the time they are disposed of, the Common Shares, Redeemable Shares, Special Shares or fractional shares would constitute taxable Canadian property to the Non-Resident Shareholder if at any time during the 60-month period that ends at the time of the disposition of such shares, as applicable, more than 50% of the fair market value of such shares was derived directly or indirectly from one or any combination of: (i) real or immovable property situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties, and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing, whether or not the property exists. If such shares constitute taxable Canadian property, the Non-Resident Shareholder may be subject to tax under the Tax Act in respect of any capital gain realized on such disposition, unless any such gain is exempt from taxation in Canada pursuant to the provisions of an applicable income tax treaty or convention and the Non-Resident Shareholder may be required to file a Canadian income tax return for the year in which the disposition occurred. In addition, if such shares constitute taxable Canadian property, the notification and withholding provisions of section 116 of the Tax Act may apply to the Non-Resident Shareholder, in which case the Offeror (or the amalgamated entity, as applicable) will be entitled, pursuant to the Tax Act, to deduct or withhold an amount from any payment made to the Non-Resident Shareholder and required to remit such amount to the Receiver General for Canada on behalf of the Non-Resident Shareholder. Non-Resident Shareholders should consult their own tax advisors for advice with respect to the potential income tax consequences to them of not disposing of their Common Shares pursuant to the Offer.

18. Other Matters Relating to the Offer

Acceptance Of The Offer

Other than the Locked-Up Parties, the Offeror has no knowledge, after reasonable enquiry, of whether any Shareholder will accept the Offer.

Depositary and Information Agent

The Offeror has engaged the Depositary for the receipt of certificates in respect of Common Shares and related Letters of Transmittal. In addition, the Depositary will receive Notices of Guaranteed Delivery deposited under the Offer at its office in Toronto, Ontario. The Depositary will also facilitate book-entry only transfers of Common Shares. The duties of the Depositary also include assisting in making payments to Shareholders for Common Shares purchased by the Offeror pursuant to the Offer. The Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith, including without limitation applicable Securities Law compliance matters.

Questions and requests for assistance concerning the Offer should be made directly to the Depositary. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained without charge from the Depositary at its address shown on the last page of this document.

The Offeror has engaged the Information Agent to provide information about the Offer to Shareholders resident in Canada and the United States. The Offeror will pay the Information Agent reasonable and customary compensation for its services in connection with the Offer and will reimburse the Information Agent for certain out-of-pocket expenses. The Offeror will also indemnify the Information Agent against certain liabilities that may arise out of the performance of its obligations as an information agent.

Except as otherwise provided in the Offer and Circular, no broker, depositary, dealer, trust company, agent or bank shall be deemed to be an agent of the Offeror for the purposes of the Offer.

Legal Matters

Legal matters on behalf of the Offeror will be passed upon by Stikeman Elliott LLP, Canadian legal counsel to Cardinal Health and the Offeror.

19. Offerees' Statutory Rights

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

20. Directors' Approval

The contents of the Offer and this Circular have been approved and the sending thereof to Shareholders has been authorized by the board of directors of each of Cardinal Health and the Offeror.

CONSENT OF COUNSEL

To: The Directors of Cardinal Health, Inc. and Cardinal Health Canada Inc.:

We hereby consent to the reference to our opinion contained under “Certain Canadian Federal Income Tax Considerations” in the Circular accompanying the Offer dated November 14, 2011, made by Cardinal Health, Inc. and Cardinal Canada Health Inc. to the holders of common shares of Futuremed Healthcare Products Corporation.

Toronto, Ontario
November 14, 2011

(Signed) “*Stikeman Elliott LLP*”

APPROVAL AND CERTIFICATE OF CARDINAL HEALTH CANADA INC.

DATED: November 14, 2011

The contents of the Offer and Circular have been approved and the sending, communication or delivery thereof to Shareholders has been authorized by the board of directors of Cardinal Health Canada Inc. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made. In addition, the foregoing does not contain any misrepresentation likely to affect the value or the market price of the Common Shares subject to the Offer.

(Signed) "*David H. Lees*"
President and Chief Executive Officer

(Signed) "*Jay Shoemaker*"
Vice-President, Finance and Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*David H. Lees*"
Director

(Signed) "*Jorge M. Gomez*"
Director

APPROVAL AND CERTIFICATE OF CARDINAL HEALTH, INC.

DATED: November 14, 2011

The contents of the Offer and Circular have been approved and the sending, communication or delivery thereof to Shareholders has been authorized by the board of directors of Cardinal Health, Inc. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made. In addition, the foregoing does not contain any misrepresentation likely to affect the value or the market price of the Common Shares subject to the Offer.

(Signed) "*George S. Barrett*"
Chairman and Chief Executive Officer

(Signed) "*Jeff Henderson*"
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*John F. Finn*"
Director

(Signed) "*Richard C. Notebaert*"
Director

The Depositary for the Offer is: CIBC Mellon Trust Company

By Mail

(Canadian Stock Transfer Company Inc., acting as the Administrative Agent)
P.O. Box 1036
Adelaide Street Postal Station
Toronto, Ontario M5C 2K4
Attention: Corporate Restructures

By Registered Mail, by Hand or by Courier

(Canadian Stock Transfer Company Inc., acting as the Administrative Agent)
320 Bay Street
Basement Level (B1 Level)
Toronto, Ontario M5H 4A6
Attention: Corporate Restructures

By Facsimile Transmission

Facsimile Number: 416-643-3148

Toll Free (North America): 1-800-387-0825

Overseas: 1- 416-643-5500

E-Mail: inquiries@canstockta.com

The Information Agent for the Offer is: Georgeson Inc.

199 Water Street, 26th Floor
New York, NY 10038

North American Toll Free Number: 1-866-856-4733

Any questions and requests for assistance or additional copies of the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed by Shareholders to the Depositary at any of the telephone numbers and addresses set out above.

You may also contact your investment advisor, stockbroker, bank manager, trust company manager, or other nominee, accountant, lawyer or other professional advisor for assistance.