

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States. Accordingly, these securities may not be offered or sold within the United States or to, or for the account or benefit of any, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act), except pursuant to transactions exempt from registration under the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. **Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Park Lawn Corporation at 2 St. Clair Avenue West, Suite 1300, Toronto, Ontario, M4V 1L5, Attention: Chief Financial Officer (telephone: (416) 231-1462), and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

April 12, 2019



PARK LAWN CORPORATION

\$125,018,100
4,874,000 Common Shares

Price: \$25.65 per Common Share

This short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of 4,874,000 common shares (each, a “**Common Share**”) of Park Lawn Corporation (the “**Company**”) at a price of \$25.65 per Common Share (the “**Offering Price**”). The Offering is being made pursuant to an underwriting agreement dated April 5, 2019 (the “**Underwriting Agreement**”) made by the Company with National Bank Financial Inc. (“**NBF**”), CIBC World Markets Inc. and Cormark Securities Inc. as co-lead underwriters and bookrunners (together, the “**Co-Lead Underwriters**”), and Acumen Capital Finance Partners Limited, Raymond James Ltd., TD Securities Inc., Canaccord Genuity Corp., GMP Securities L.P., Paradigm Capital Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. (collectively with the Co-Lead Underwriters, the “**Underwriters**”). The Offering Price was determined by negotiation between the Company and the Underwriters.

The Company is a corporation existing under the *Business Corporations Act* (Ontario). The currently issued and outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**PLC**”. The closing price of the Common Shares on the TSX on March 29, 2019, the last trading day prior to the announcement of the Offering, was \$27.49. The closing price of the Common Shares on the TSX on April 11, 2019, the last trading day prior to the filing of this Prospectus, was \$25.43. The TSX has conditionally approved the listing of the Common Shares (including the Common Shares issuable pursuant to the Over-Allotment Option (as defined herein)) offered under this Prospectus on the TSX. Such listing is subject to the Company fulfilling all of the listing requirements of the TSX.

**Price: \$25.65 per
Common Share**

| | <u>Price to the Public⁽¹⁾</u> | <u>Underwriters' Fee⁽²⁾</u> | <u>Net Proceeds to the Company⁽³⁾</u> |
|----------------------------|--|--|--|
| Per Common Share..... | \$25.65 | \$1.026 | 24.624 |
| Total ⁽⁴⁾ | \$125,018,100 | \$5,000,724 | \$120,017,376 |

Notes:

(1) The Offering Price of the Common Shares was determined by negotiation among the Company and the Underwriters.

- (2) Pursuant to the terms of the Underwriting Agreement, and in consideration of the services rendered by the Underwriters in connection with the Offering, the Underwriters will receive an aggregate fee (the “**Underwriters’ Fee**”) of \$5,000,724, representing 4.0% of the gross proceeds from the Offering. The Company will also pay the Underwriters a fee equal to \$1.026 per additional Common Share sold by the Company if the Over-Allotment Option is exercised.
- (3) Before deducting expenses of the Offering, estimated at \$1,200,000 (exclusive of all applicable taxes), which, together with the Underwriters’ Fee, will be paid from the proceeds of the Offering.
- (4) The Company has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part at any time not later than the earlier of (i) up to 30 days after the Closing and (ii) the occurrence of a Termination Event, to purchase up to an additional 731,100 Common Shares at the Offering Price on the same terms as set forth above solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters’ Fee and net proceeds to the Company (before deducting expenses of the Offering) will be \$143,770,815, \$5,750,833 and \$138,019,982, respectively. This Prospectus qualifies the distribution of the Over-Allotment Option and the Common Shares issuable on the exercise thereof. A purchaser who acquires Common Shares forming part of the Underwriters’ over-allocation position acquires those Common Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “*Plan of Distribution*”.

| <u>Underwriters’ Position</u> | <u>Maximum Size or Number of Securities Available</u> | <u>Exercise Period</u> | <u>Exercise Price</u> |
|-------------------------------|---|---|--------------------------|
| Over-Allotment Option | Option to purchase up to 731,100 Common Shares | At any time up to 30 days after Closing | \$25.65 per Common Share |

Each of NBF, BMO Nesbitt Burns Inc. and TD Securities Inc. are affiliates of banks that are lenders to the Company or its subsidiaries under the Credit Facility (as defined herein). In addition, NBF advises the Company in the ordinary course of business, and certain of the Underwriters and/or their affiliates have provided and/or may provide in the future investment banking, commercial banking and/or other financial services to the Company for which they have received or will receive compensation. Accordingly, the Company may be considered a “connected issuer” to each of the Underwriters within the meaning of applicable Canadian securities legislation. See “*Plan of Distribution*”.

The Underwriters, as principals, conditionally offer the Common Shares, subject to the prior sale, if, as and when issued, sold and delivered by the Company and accepted by the Underwriters in accordance with the conditions of the Underwriting Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Company by Goodmans LLP and on behalf of the Underwriters by McMillan LLP.

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters propose to offer the Common Shares initially at the Offering Price. **After the Underwriters have made reasonable effort to sell all of the Common Shares at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Common Shares remaining unsold. Any such reduction will not affect the proceeds received by the Company. See “*Plan of Distribution*”.**

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. The Offering will be effected only through the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). Common Shares must be purchased or transferred through a CDS participant and all rights of holders of Common Shares must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the holder of Common Shares holds such Common Shares. Beneficial owners of Common Shares will not, except in certain limited circumstances as required by law, be entitled to receive physical certificates evidencing their ownership of Common Shares. See “*Plan of Distribution*”.

The closing of the Offering (the “**Closing**”) is expected to take place on or around April 23, 2019 (or such other date as the Company and the Underwriters may agree, but in any event no later than the date that is 30 days following the filing of the final short form prospectus).

An investment in the Common Shares involves certain risks that are described in the “*Risk Factors*” section of, and elsewhere in, this Prospectus, including in the documents incorporated herein by reference and should be considered by any prospective purchaser of the Common Shares.

Prospective investors should rely only on the information contained in or incorporated by reference in this Prospectus or to which we have referred you. Neither the Company nor the Underwriters has authorized any other person to provide prospective investors with any different or additional information, other than the documents filed as “Marketing Materials” under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com. To the extent of any discrepancy between the information contained in the Marketing Materials and this Prospectus, prospective investors are advised that the Marketing Materials do not provide full disclosure of all material facts relating to the securities offered. Prospective investors should read this Prospectus and any amendment for disclosure of those facts, especially risk factors relating to, among other things, the Company and the Common Shares, before making an investment decision. Neither the Company nor the Underwriters are making an offer to sell Common Shares in any jurisdiction where such an offer or sale is prohibited. Unless otherwise stated, the information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of Common Shares. The Company’s business, financial condition and results of operations may have changed since the date of this Prospectus. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by the applicable securities laws.

The Company’s head and registered office is located at 2 St. Clair Avenue West, Suite 1300, Toronto, Ontario, M4V 1L5 and its telephone number is (416) 231-1462.

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GENERAL MATTERS

In this Prospectus, references to the “**Company**” refer to Park Lawn Corporation and, where applicable, its subsidiaries; and “**Common Shares**” means the common shares of the Company.

All currency amounts in this Prospectus are expressed in Canadian dollars, unless otherwise indicated.

All capitalized terms referred to above are defined elsewhere in this Prospectus including under “Glossary of Terms”.

Unless otherwise indicated, the disclosure in this Prospectus assumes that the Over-Allotment Option is not exercised.

Unless the context otherwise requires, references to “management” in this Prospectus means the persons acting in the capacities of the Company’s Chief Executive Officer and Chief Financial Officer. Any statements in this Prospectus or incorporated by reference herein made by or on behalf of management are made in such persons’ capacities as officers of the Company and not in their personal capacities.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference herein, contains “forward-looking information” as defined under Canadian securities laws (collectively, “forward-looking statements”). All statements other than statements of historical fact contained in this Prospectus, or in the documents incorporated by reference herein, are forward-looking statements, including, without limitation, the Company’s statements regarding the Company’s business and the environment in which it operates, the Company’s dividend policy, the intention of the Company to complete the Offering on the terms and conditions described herein, the expected timing regarding completion of the Offering, use of proceeds of the Offering, the granting of an over-allotment option in connection with the Offering, the listing of the Common Shares on the TSX, the anticipated effect of the Offering on the performance of the Company and future growth opportunities, including organic growth and potential acquisitions. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “projects” or “believes”, “pro forma” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will”, “occur” or “be achieved” and similar words or the negative thereof. Although management of the Company believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

The forward-looking statements in this Prospectus are based on certain assumptions, including without limitation that all conditions to completion of the Offering will be satisfied or waived, and assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including expected revenues from certain contracts, and ability to achieve goals. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading “*Risk Factors*” in this Prospectus and in the Company’s annual information form available at www.sedar.com.

There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this Prospectus and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the Company, and McMillan LLP, counsel to the Underwriters, based on the current provisions of the Tax Act, provided that, on the date of the Closing, the Common Shares are listed on a “designated stock exchange” (as defined in the Tax Act, which includes the TSX), the

Common Shares, on the date of the Closing, will be qualified investments for a trust governed by an RRSP, RESP, RRIF, DPSP, RDSP or a TFSA (each, an “**Exempt Plan**”).

Notwithstanding the foregoing, if the Common Shares are “prohibited investments” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP, the holder, annuitant or subscriber thereof, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Common Shares will not be prohibited investments for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP provided the holder, annuitant or subscriber thereof, as the case may be, (i) deals at arm’s length with the Company for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act) in the Company. In addition, the Common Shares will not be prohibited investments if the Common Shares are “excluded property” as defined in the Tax Act for trusts governed by a TFSA, RRSP, RRIF, RESP or RDSP. Prospective purchasers who intend to hold Common Shares in an Exempt Plan are advised to consult their own tax advisors.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in each of the provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at 2 St. Clair Avenue West, Suite 1300, Toronto, Ontario, M4V 1L5, Attention: Chief Financial Officer (telephone at (416) 231-1462), and are also available electronically under the Company’s SEDAR profile at www.sedar.com.

The following documents filed by the Company with the appropriate securities commissions or similar regulatory authorities in each of the provinces of Canada, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form of the Company dated March 26, 2019 for the financial year ended December 31, 2018 (the “**Annual Information Form**”);
- (b) the audited consolidated financial statements of the Company for the financial years ended December 31, 2018 and 2017, together with the notes thereto and the auditors’ report thereon (the “**Annual Financial Statements**”);
- (c) management’s discussion and analysis of the financial condition and results of operations of the Company for the financial year ended December 31, 2018;
- (d) the management information circular of the Company dated April 30, 2018;
- (e) the Company’s business acquisition report dated May 17, 2018 relating to the Company’s acquisition of Signature Funeral and Cemetery Investments, LLC; and
- (f) the template version of the term sheet for the Offering dated April 1, 2019, filed on SEDAR in connection with the Offering (the “**Marketing Materials**”).

Any documents of the types referred to in the preceding paragraphs (a) through (f), annual information forms, annual financial statements and the auditor’s report thereon and related management’s discussion and analysis, interim financial reports and related management’s discussion and analysis, information circulars, material change reports (other than confidential material change reports, if any), business acquisition reports and any other documents as may be required to be incorporated by reference herein under applicable securities laws, which are filed by the Company with the securities commissions or similar regulatory authorities in each of the provinces of Canada subsequent to the date of this Prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a

statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus or any amendment. Any template version of “marketing materials” (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference herein.

THE COMPANY

The Company is a corporation existing under the *Business Corporations Act* (Ontario).

The Company provides goods and services associated with the disposition and memorialization of human remains. Products and services are sold on a pre-planned basis (pre-need) or at the time of a death (at-need). The Company and its subsidiaries own and operate businesses including cemeteries, crematoria, funeral homes, chapels, planning offices and a transfer service. The Company has a North American wide platform with operations in five Canadian provinces and thirteen U.S. states.

Consistent with the Company’s past practices and in the normal course of business, the Company is continuously engaged in discussions with respect to possible acquisitions of and investments in new assets and businesses, dispositions of existing assets and related financings and refinancings. There can be no assurance that any of these discussions will result in a definitive agreement, and, if they do, what the terms or timing of any acquisition, investment, disposition, financing or refinancing would be, if consummated. The Company expects to continue current discussions and actively pursue acquisition, investment, disposition financing and refinancing opportunities. As of the date hereof, there are no significant probable acquisitions identified by the Company, whereby financial statements would be required to be included in this Prospectus in order for this Prospectus to contain full, true and plain disclosure.

RECENT DEVELOPMENTS

There have been no material developments in the business of the Company since December 31, 2018, the date of the Company’s most recent Annual Financial Statements, which have not been disclosed in this Prospectus or the documents incorporated by reference herein.

Acquisition of Cress Funeral Service

On April 1, 2019, the Company announced that it had completed its previously announced acquisition of all the outstanding equity of Cress Funeral Service, Inc., an 8-location funeral business in Madison, Wisconsin for a purchase price of approximately US\$20.3 million, subject to customary working capital adjustments (the “**Cress Acquisition**”).

Saber Amending Agreement

On April 1, 2019, the Company entered into an agreement providing for the early termination of the earn-

out arrangements relating to the Company's 2017 acquisition of Saber Management LLC. The agreement provides, among other things, for the vendors of Saber Management LLC to forego future earn out entitlements in consideration for a cash payment of approximately US\$800,000, the issuance of approximately 500,000 Common Shares and the issuance of approximately 93,000 restricted share units of the Company.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 2018 and the *pro forma* consolidated capitalization of the Company as at December 31, 2018 after giving effect to the Offering. The table should be read in conjunction with the Annual Financial Statements of the Company incorporated by reference in this Prospectus.

| | As at December 31, 2018 (audited) | As at December 31, 2018 (unaudited – <i>pro forma</i> after giving effect to the Offering and the Cress Acquisition) ⁽¹⁾ |
|---|--------------------------------------|--|
| Indebtedness | | |
| Long-term debt, net of current portion..... | \$91,045,776 | \$745,776 ⁽²⁾ |
| Current portion of long-term debt..... | \$298,826 | \$298,826 |
| Long-term notes payable | \$4,277,811 | \$6,030,090 ⁽²⁾ |
| Current portion of long-term notes payable .. | \$426,604 | \$735,825 |
| | \$96,049,017 | \$7,810,517 |
| Shareholders' Equity | | |
| Share capital | \$363,957,423 | \$483,974,799 |
| Contributed surplus..... | \$2,297,514 | \$2,297,514 |
| Retained earnings..... | \$10,829,808 | \$10,829,808 |
| Non-controlling interest..... | \$1,499,768 | \$1,499,768 |
| Accumulated other comprehensive income .. | \$21,888,697 | \$21,888,697 |
| | \$400,473,210 | \$520,490,586 |
| Total Capitalization | \$496,522,227 | \$528,301,103 |

Notes:

- (1) Assumes net proceeds of the Offering of \$118,817,376 (gross proceeds of \$125,018,100, net of the Underwriters' Fee of \$5,000,724 and other expenses totaling approximately \$1,200,000), and deferred taxes of \$1,643,192.
- (2) All debt and notes payable relating to the Cress Acquisition have been calculated using the exchange rate on April 1, 2019, being US\$1=CDN\$1.33.

USE OF PROCEEDS

The estimated net proceeds of the Offering, after deducting the Underwriters' Fee and the estimated expenses of the Offering, will be \$118,817,376. If the Over-Allotment Option is exercised in full, the net proceeds to be received from the Offering by the Company, after deducting the Underwriters' Fee and the estimated expenses of the Offering, will be \$136,819,982.

The Company intends to use the net proceeds of the Offering: (i) to repay approximately \$90.3 million of outstanding indebtedness under its Credit Facility, which was used to fund multiple acquisitions by the Company, (ii) to repay approximately \$25.5 million of outstanding debt related to the Cress Acquisition, (iii) to fund its ongoing growth initiatives, and (iv) for general corporate purposes.

PLAN OF DISTRIBUTION

Pursuant to the terms and conditions of the Underwriting Agreement, the Company has agreed to issue and sell, and the Underwriters have agreed to purchase on the Closing, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, an aggregate of 4,874,000 Common Shares at a purchase price of \$25.65 per Common Share, payable in cash to the Company against delivery of such Common Shares, for gross proceeds to the Company of \$125,018,100.

An Underwriter may be entitled, without liability, to terminate its obligations to purchase the Common Shares, by written notice to that effect given to the Company at or prior to the Closing if, prior to the Closing: (i) (A) there should develop, occur or come into effect or existence, (a) any event, action, state or condition (including without limitation acts of war or of terrorism), or (b) any major event in the financial markets, in the case of either (a) or (b) of national or international consequence, or (B) any law or regulation is adopted or enacted, which, in the cases of either (A) or (B), in the opinion of such Underwriter, acting reasonably and in good faith, materially adversely affects, or could reasonably be expected to materially adversely affect, the financial markets or the business, operations or affairs of the Company and its subsidiaries, taken as a whole; (ii) there shall occur any material change in the business, affairs, operations, assets, financial condition, liabilities or capital of the Company and its subsidiaries, taken as a whole, or there should be discovered any previously undisclosed material fact or new material fact or change in a material fact (other than a material fact relating solely to the Underwriters) which, in the opinion of such Underwriter, acting reasonably and in good faith, materially adversely affects or could reasonably be expected to materially adversely affect the market price or value of the Common Shares; or (iii) there shall occur any change in applicable securities laws, or if any enquiry, action, suit, investigation or other proceeding in relation to the Company or the Offering, is announced, instituted or threatened or any order is issued under or pursuant to any laws or regulations of Canada or of any of the Offering jurisdictions or by the TSX or by any other regulatory or governmental authority (except for any such order based upon the activities or the alleged activities of the Underwriters and not of the Company) which, in the opinion of such Underwriter, acting reasonably and in good faith, operates to prevent or restrict the trading or distribution of the Common Shares, or materially adversely affects or could reasonably be expected to materially adversely affect the market price or value of the Common Shares (each, a “**Termination Event**”). The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any of the Common Shares are purchased under the Underwriting Agreement.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint or joint and several and are subject to certain closing conditions. The Underwriters are entitled under the Underwriting Agreement to indemnification by the Company against certain liabilities and expenses. The terms of the Offering, including the Offering Price, were determined by negotiation between the Company and the Co-Lead Underwriters, on behalf of the Underwriters.

The Underwriting Agreement provides that the Company will pay to the Underwriters a fee of \$5,000,724 representing 4.0% of the gross proceeds of the Offering in consideration for their services rendered in connection with the Offering. The Company has also agreed in the Underwriting Agreement to reimburse the Underwriters for their legal fees and certain other expenses in connection with the Offering.

Pursuant to the Underwriting Agreement, the Company has granted to the Underwriters the Over-Allotment Option, exercisable at the Underwriters’ sole option and without obligation, in whole or in part at any time, up to 30 days after the Closing, to purchase up to 731,100 additional Common Shares on the same terms and conditions as set forth above solely to cover over-allocations, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters’ fee and net proceeds to the Company (before deducting expenses of the Offering) will be \$143,770,815, \$5,750,833 and \$138,019,982, respectively. This Prospectus qualifies the distribution of the Over-Allotment Option and the issuance of Common Shares on the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Over-Allotment Option acquires those Common Shares under this Prospectus, regardless of whether the Underwriters’ over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised, the proceeds received by the Company are expected to be used to repay outstanding indebtedness under its Credit Facility, to fund its ongoing growth initiatives, and for general corporate purposes. See “*Use of Proceeds*”. Pursuant to the Underwriting Agreement, the Company will pay the Underwriters a fee equal to \$1.026 per additional Common Share sold if the Over-Allotment Option is exercised.

Each of NBF, BMO Nesbitt Burns Inc. and TD Securities Inc. are affiliates of banks that are lenders to the Company or its subsidiaries under the Credit Facility. In addition, NBF advises the Company in the ordinary course of business, and certain of the Underwriters and/or their affiliates have provided and/or may provide in the future investment banking, commercial banking and/or other financial services to the Company for which they have received or will receive compensation. Accordingly, the Company may be considered a “connected issuer” to each of the Underwriters within the meaning of applicable Canadian securities legislation.

As of the date of this Prospectus, the Company is in compliance with the terms of the Credit Facility and no breaches of the terms of the Credit Facility have been waived by the lender thereunder. Since the date the indebtedness was initially incurred under the Credit Facility, the value of the Credit Facility has increased by \$100 million. The financial position of the Company has changed over the period of the indebtedness as set out in the Company’s public filings. The Underwriters have advised that the decision to underwrite the Offering was made independently of the lender under the Credit Facility and the lender had no influence as to the determination of the terms of the distribution. The Underwriters will not receive any benefit in connection with this Offering other than the Underwriters’ Fee payable by the Company.

The TSX has conditionally approved the listing of the Common Shares (including the Common Shares issuable pursuant to the Over-Allotment Option) offered under this Prospectus on the TSX. Such listing is subject to the Company fulfilling all of the listing requirements of the TSX.

Subject to certain exceptions, the Company has agreed that it will not issue any additional Common Shares or securities convertible into Common Shares for a period of 90 days from the Closing without the prior written consent of the Co-Lead Underwriters, which consent may not be unreasonably withheld, provided that the Co-Lead Underwriters’ prior written consent shall not be required for: (i) the issuance of securities in connection with or pursuant to the existing equity incentive plan of the Company and other existing share compensation arrangements or a new incentive plan adopted in accordance with applicable law; (ii) existing instruments or agreements (including warrants) outstanding at the date hereof; (iii) the Offering; (iv) acquisitions proposed to be made by the Company; or (v) the Company’s DRIP.

The Common Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Common Shares may not be offered, sold or delivered within the United States, and each Underwriter has agreed that it will not offer, sell or deliver the Common Shares within the United States, except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder (“**Rule 144A**”) and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Common Shares offered hereby within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Common Shares in the United States or to, or for the account or benefit of, U.S. persons.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include bids or purchases permitted under the bylaws and rules of the TSX relating to market stabilization and passive market making activities and bids or purchases made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, in connection with this Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be interrupted or discontinued at any time.

The Underwriters propose to offer the Common Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Common Shares offered under this Prospectus at such price, the initially stated Offering Price may be decreased, and further changed from time to time, by the Underwriters to an amount not greater than the initially stated Offering Price and, in such case, the compensation

realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Common Shares is less than the gross proceeds paid by the Underwriters to the Company.

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Offering will be conducted under the book-based system administered by CDS. Common Shares must be purchased or transferred through a CDS participant and all rights of holders of Common Shares must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the holder of Common Shares holds such Common Shares. Beneficial owners of Common Shares will not, except in certain limited circumstances as required by law, be entitled to receive physical certificates evidencing their ownership of Common Shares.

The Closing is expected to take place on or around April 23, 2019 (or such other date as the Company and the Underwriters may agree, but in any event no later than the date that is 30 days following the filing of the final prospectus).

DESCRIPTION OF THE COMMON SHARES

The authorized capital of the Company consists of an unlimited number of Common Shares. Holders of Common Shares are entitled to receive notice of and to attend any meeting of shareholders of the Company and to one vote per Common Share at any such meetings, to receive dividends if, as and when declared by the Company's board of directors, and to receive on a pro rata basis the remaining property and assets of the Company upon its dissolution or winding up. As at the date of this Prospectus, 23,156,005 Common Shares are issued and outstanding.

PRIOR SALES

The following table sets forth the details regarding all issuances of Common Shares and securities that are convertible or exchangeable into Common Shares for the 12-month period prior to the date of this Prospectus.

| <u>Date of Issuance</u> | <u>Security Issued</u> | <u>Reason for Issuance</u> | <u>Number of Securities Issued</u> | <u>Price per Security (\$)</u> |
|-------------------------|------------------------|--|------------------------------------|--------------------------------|
| March 15, 2019 | Deferred Share Units | Issued in respect of the Company's dividend | 51 | 23.70 |
| March 15, 2019 | Restricted Share Units | Issued in respect of the Company's dividend | 279 | 23.70 |
| March 15, 2019 | Common Shares | Issued under the Company's DRIP | 6,881 | 23.70 |
| February 28, 2019 | Deferred Share Units | Issued under the Company's equity incentive plan | 2,468 | 25.70 |
| February 15, 2019 | Deferred Share Units | Issued in respect of the Company's dividend | 48 | 23.63 |
| February 15, 2019 | Restricted Share Units | Issued in respect of the Company's dividend | 279 | 23.63 |
| February 15, 2019 | Common Shares | Issued under the Company's DRIP | 7,278 | 23.63 |
| January 15, 2019 | Deferred Share Units | Issued in respect of the Company's dividend | 48 | 23.55 |
| January 15, 2019 | Restricted Share Units | Issued in respect of the Company's dividend | 280 | 23.55 |
| January 15, 2019 | Common Shares | Issued under the Company's DRIP | 6,531 | 23.55 |
| January 1, 2019 | Restricted Share Units | Issued under the Company's equity incentive plan | 60,112 | 22.74 |
| December 17, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 53 | 21.33 |

| Date of Issuance | Security Issued | Reason for Issuance | Number of Securities Issued | Price per Security (\$) |
|-------------------------|------------------------|--|------------------------------------|--------------------------------|
| December 17, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 308 | 21.33 |
| December 16, 2018 | Common Shares | Issued under the Company's DRIP | 6,844 | 21.33 |
| November 30, 2018 | Deferred Share Units | Issued under the Company's equity incentive plan | 2,468 | 22.11 |
| November 15, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 48 | 21.80 |
| November 15, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 296 | 21.80 |
| November 15, 2018 | Common Shares | Issued under the Company's DRIP | 6,076 | 21.80 |
| October 15, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 44 | 23.44 |
| October 15, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 275 | 23.44 |
| October 15, 2018 | Common Shares | Issued under the Company's DRIP | 4,201 | 23.44 |
| September 17, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 41 | 25.47 |
| September 17, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 253 | 25.47 |
| September 17, 2018 | Common Shares | Issued under the Company's DRIP | 4,844 | 25.47 |
| August 31, 2018 | Deferred Share Units | Issued under the Company's equity incentive plan | 2,468 | 27.22 |
| August 15, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 38 | 24.47 |
| August 15, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 191 | 24.47 |
| August 15, 2018 | Common Shares | Issued under the Company's DRIP | 3,299 | 24.47 |
| July 16, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 39 | 24.19 |
| July 16, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 193 | 24.19 |
| July 16, 2018 | Common Shares | Issued under the Company's DRIP | 3,892 | 24.19 |
| June 15, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 40 | 23.30 |
| June 15, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 200 | 23.30 |
| June 15, 2018 | Common Shares | Issued under the Company's DRIP | 2,895 | 23.30 |
| May 31, 2018 | Deferred Share Units | Issued under the Company's equity incentive plan | 2,126 | 24.30 |
| May 15, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 36 | 23.89 |
| May 15, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 173 | 23.89 |
| May 15, 2018 | Common Shares | Issued under the Company's DRIP | 835 | 23.89 |
| April 20, 2018 | Subscription Receipts | Public offering | 7,745,250 | 24.50 |
| April 15, 2018 | Deferred Share Units | Issued in respect of the Company's dividend | 33 | 25.53 |

| <u>Date of Issuance</u> | <u>Security Issued</u> | <u>Reason for Issuance</u> | <u>Number of Securities Issued</u> | <u>Price per Security (\$)</u> |
|-------------------------|------------------------|---|------------------------------------|--------------------------------|
| April 15, 2018 | Restricted Share Units | Issued in respect of the Company's dividend | 161 | 25.53 |
| April 15, 2018 | Common Shares | Issued under the Company's DRIP | 2,675 | 25.53 |

PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES

The Common Shares are listed and posted for trading on the TSX under the symbol "PLC". The following table shows the monthly range of high and low prices per Common Share and total monthly volumes traded on the TSX for the 12-month period prior to the date of this Prospectus.

| <u>Month</u> | <u>Price per Common Share (\$) Monthly High</u> | <u>Price per Common Share (\$) Monthly Low</u> | <u>Total Monthly Volume</u> |
|--------------------------------|---|--|-----------------------------|
| April 2018..... | 26.85 | 24.50 | 889,346 |
| May 2018..... | 25.80 | 23.51 | 1,167,444 |
| June 2018..... | 24.90 | 23.50 | 1,010,472 |
| July 2018..... | 25.34 | 23.22 | 675,228 |
| August 2018..... | 27.95 | 24.14 | 1,067,906 |
| September 2018..... | 27.31 | 24.91 | 533,030 |
| October 2018..... | 26.74 | 22.17 | 924,340 |
| November 2018..... | 24.40 | 20.25 | 1,052,376 |
| December 2018..... | 23.77 | 20.80 | 1,119,425 |
| January 2019..... | 25.37 | 22.56 | 1,127,813 |
| February 2019..... | 26.15 | 23.16 | 815,172 |
| March 2019..... | 27.90 | 23.95 | 1,204,976 |
| April 1 to April 11, 2019..... | 27.92 | 25.13 | 1,800,519 |

On March 29, 2019, being the last day on which the Common Shares traded prior to the public announcement of the Offering, the closing price of the Common Shares on the TSX was \$27.49. On April 11, 2019, being the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$25.43.

RISK FACTORS

An investment in the Common Shares is subject to a number of risks. Before deciding whether to invest in the Common Shares, prospective investors should carefully consider the risk factors set forth under the heading "*Risk Factors*" in the Annual Information Form and all of the other information in this Prospectus (including, without limitation, the documents incorporated by reference herein).

The risks described herein and in the documents incorporated by reference in this Prospectus are not the only risks that affect the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also potentially materially adversely affect its business.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are MNP LLP, Chartered Accountants Licensed Public Accountants, in Mississauga, Ontario. MNP LLP has advised the Company that it is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the common shares is TSX Trust Company at its principal offices in Toronto, Ontario.

LEGAL PROCEEDINGS

There are no outstanding legal proceedings material to the Company to which the Company is a party or in respect of which any of its properties are subject, nor are there any such proceedings known to the Company to be contemplated.

EXPERTS

Certain legal matters in connection with the Offering are being reviewed on behalf of the Company by Goodmans LLP and on behalf of the Underwriters by McMillan LLP. As of the date hereof, the respective partners and associates of each firm beneficially owned, directly or indirectly, less than one percent of the securities or other property of the Company and its associates and affiliates.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

GLOSSARY OF TERMS

In this Prospectus, the following terms will have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

“**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Ontario);

“**Annual Financial Statements**” has the meaning ascribed thereto under “Documents Incorporated by Reference” of this Prospectus;

“**Annual Information Form**” has the meaning ascribed thereto under “Documents Incorporated by Reference” of this Prospectus;

“**CDS**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Closing**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Co-Lead Underwriters**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Common Shares**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Company**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Credit Facility**” means the Company's \$175,000,000 (\$225,000,000 with accordion) credit facility with National Bank of Canada, Bank of Montreal and the Toronto-Dominion Bank;

“**DPSP**” means a deferred profit sharing plan for purposes of the Tax Act;

“**DRIP**” means the Company’s amended and restated dividend reinvestment plan;

“**Exempt Plan**” has the meaning ascribed thereto under “Eligibility for Investment” of this Prospectus;

“**forward-looking statements**” has the meaning ascribed thereto under “Cautionary Note Regarding Forward-Looking Statements” of this Prospectus;

“**Marketing Materials**” has the meaning ascribed thereto under “Documents Incorporated by Reference” of this Prospectus;

“**NBF**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Offering**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Offering Price**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Over-Allotment Option**” has the meaning ascribed thereto on the cover page of this Prospectus and described under “Plan of Distribution”;

“**Prospectus**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**RDSP**” means a registered disability savings plan for purposes of the Tax Act;

“**RESP**” means a registered education savings plan for purposes of the Tax Act;

“**RRIF**” means a registered retirement income fund for purposes of the Tax Act;

“**RRSP**” means a registered retirement savings plan for purposes of the Tax Act;

“**Rule 144A**” has the meaning ascribed thereto under “Plan of Distribution” of this Prospectus;

“**SEDAR**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**Termination Event**” has the meaning ascribed thereto under “Plan of Distribution” of this Prospectus;

“**TFSA**” means a tax-free savings account for purposes of the Tax Act;

“**TSX**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**U.S. Securities Act**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Underwriters**” has the meaning ascribed thereto on the cover page of this Prospectus;

“**Underwriters’ Fee**” has the meaning ascribed thereto on the cover page of this Prospectus; and

“**Underwriting Agreement**” has the meaning ascribed thereto on the cover page of this Prospectus, as described under “Plan of Distribution”.

CERTIFICATE OF THE COMPANY

Dated: April 12, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

PARK LAWN CORPORATION

(signed) ANDREW CLARK
Chief Executive Officer

(signed) JOSEPH LEEDER
Chief Financial Officer

On behalf of the Board of Directors

(signed) STEVEN SCOTT
Director

(signed) TIMOTHY POWERS
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: April 12, 2019

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

NATIONAL BANK FINANCIAL INC.

By: (signed) BRAD SPRUIN
Managing Director

CIBC WORLD MARKETS INC.

By: (signed) PAUL GORMAN
Managing Director

CORMARK SECURITIES INC.

By: (signed) CHRIS SHAW
Managing Director

ACUMEN CAPITAL FINANCE PARTNERS LIMITED

By: (signed) KELLY HUGHES
Head of Investment Banking

RAYMOND JAMES LTD.

By: (signed) LUCAS ATKINS
Managing Director

TD SECURITIES INC.

By: (signed) RYAN QUIRT
Director

CANACCORD GENUITY CORP.

By: (signed) JASON ROBERTSON
Managing Director

GMP SECURITIES L.P.

By: (signed) PAUL BISSETT
Director

PARADIGM CAPITAL INC.

By: (signed) IAN JOSEPH
President

BMO NESBITT BURNS INC.

By: (signed) CRAIG KING
Managing Director

RBC DOMINION SECURITIES INC.

By: (signed) CLAIRE STURGESS
Managing Director

SCOTIA CAPITAL INC.

By: (signed) JOHN MEDLAND
Director