EXECUTION VERSION

MERGER AGREEMENT

By and Among

DIXIE BRANDS, INC.

ACADEMY EXPLORATIONS LIMITED

and

DIXIE BRANDS ACQUISITION, INC.

Dated as of September 28, 2018

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MERGER AGREEMENT

This MERGER AGREEMENT (as amended from time to time, this "**Agreement**"), dated as of September 28, 2018, is entered into by and among Dixie Brands, Inc., a Delaware corporation (the "**Company**"), Academy Explorations Limited, a corporation incorporated under the laws of Ontario ("**Parent**"), and Dixie Brands Acquisition, Inc., a Delaware corporation and Wholly Owned Subsidiary of Parent ("**Merger Sub**" and, together with the Company and Parent, the "**Parties**" and each, a "**Party**").

RECITALS

WHEREAS, the Parties intend that, subject to the terms and conditions of this Agreement, Merger Sub shall merge with and into the Company (the "**Merger**"), with the Company surviving the Merger, pursuant to the provisions of the DGCL;

WHEREAS, Company Board has unanimously (a) determined that this Agreement and the transactions contemplated by this Agreement are fair to, and in the best interests of, the Company and its Shareholders, (b) approved and adopted this Agreement and the transactions contemplated by this Agreement, (c) directed that this Agreement be submitted for approval by a vote of the holders of Company Shares at the Company Shareholders' Meeting and (d) recommended that the holders of Company Shares affirmatively vote to approve this Agreement;

WHEREAS, Parent Board has unanimously (a) determined that this Agreement and the transactions contemplated by this Agreement are fair to, and in the best interests of, Parent and its shareholders, (b) approved, adopted and declared advisable this Agreement and the transactions contemplated by this Agreement and (c) has obtained the approval of the shareholders of the Parent of certain matters contemplated by this Agreement;

WHEREAS, the board of directors of Merger Sub has unanimously (a) adopted, pursuant to the DGCL, this Agreement and the transactions contemplated by this Agreement, (b) determined that this Agreement and the transactions contemplated by this Agreement are fair to, and in the best interests of Merger Sub and Parent (as Merger Sub's sole shareholder), and (c) recommended that Parent (as Merger Sub's sole shareholder) approve this Agreement; and

WHEREAS, the Parties desire to make certain representations, warranties, covenants and agreements in connection with the transactions contemplated by this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties, covenants and agreements set forth in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE I
Definitions; Interpretation and Construction

1.1. Definitions. For the purposes of this Agreement, except as otherwise specifically provided herein, the following terms have meanings set forth in this Section 1.1:

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made (for purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise).

"**Agreement**" has the meaning set forth in the preamble.

"**Applicable Date**" means December 31, 2016.

"**Articles of Merger**" means the articles of merger relating to the Merger to be filed at or prior to the Effective Time with the Delaware Secretary of State.

"**Bankruptcy and Equity Exception**" has the meaning set forth in Section 5.4(a).

"**Business Day**" means any day ending at 11:59 p.m. (New York time) other than a Saturday or Sunday or a day on which (a) banks in New York, New York are required or authorized by Law to close, or (b) for purposes of determining the Closing Date only, the Delaware Secretary of State is required or authorized by Law to close.

"**Bylaws**" has the meaning set forth in Section 3.2.

"**Canadian Company Shareholder**" means each holder of Company Shares who is (i) a resident of Canada for the purposes of the ITA or (ii) a partnership, at least one partner of which is a resident of Canada for the purposes of the ITA.

"**Canadian Exchange Offer**" means the offer by Parent to each Canadian Company Shareholder (i) to purchase each Company Share held by such Canadian Company Shareholder in exchange for that number of fully paid and non-assessable Parent Shares equal to the Exchange Ratio each as described in Article IV of this Agreement.

"**Canadian Exchange Offer Election**" means an election by a Canadian Company Shareholder in the form attached as Exhibit D hereto and described in Article IV of this Agreement.

"**Charter**" has the meaning set forth in Section 3.1.

"**Chosen Courts**" means the state and federal courts sitting in Denver County, Colorado.

"**Circular**" means the management information circular dated August 7, 2018 issued by management of Parent in connection with a special meeting of its shareholders to be held on September 5, 2018.

"**Closing**" means the closing of the transactions contemplated by this Agreement (other than the Canadian Exchange Offer).

"**Closing Date**" means such date on which the Closing actually occurs.

"**Code**" means the Internal Revenue Code of 1986.

"**Company**" has the meaning set forth in the preamble.

"**Company Benefit Plan**" means any benefit or compensation plan, program, policy, practice, Contract or other obligation, whether or not in writing and whether or not funded, in each case, which is sponsored or maintained by, or required to be contributed to, or with respect to which any potential liability is borne by, the Company or any of its Subsidiaries.

"**Company Board**" means the board of directors of the Company.

"**Company Certificate**" means each certificate representing any Company Shares, Warrants or Management Options.

"**Company Disclosure Letter**" has the meaning set forth in Article V.

"**Company Employee**" means any current or former employee (whether full- or part-time and, including any officer), director or independent contractor (who is a natural person) of the Company or any of its Subsidiaries.

"**Company Fully Diluted Capital**" means 10,750,909 *plus* the number of shares of common stock issued pursuant to the Series C Financing.

"**Company Intellectual Property Rights**" means any and all Intellectual Property Rights that are owned by or exclusively licensed to the Company or any of its Subsidiaries, or purported to be owned by or exclusively licensed to the Company or any of its Subsidiaries.

"**Company Material Adverse Effect**" means any event, change, development, circumstance, fact or effect that, individually or taken together with any other events, changes, developments, circumstances, facts or effects is, or would reasonably be expected to be, materially adverse to the condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), business operations or results of operations of the Company and its Subsidiaries (taken as a whole); provided, however, that none of the following, either alone or in combination, shall be taken into account in determining whether a Company Material Adverse Effect has occurred or would reasonably be expected to occur:

(a) events, changes, developments, circumstances or facts in or with respect to the economy, credit, capital, commodities securities or financial markets or political, regulatory trade or business conditions in the United States or Canada or globally;

(b) events, changes, developments, circumstances, facts or effects that are the result of factors generally affecting the industries in which any of the Parties operate or in the geographic markets in which any of the Parties operate or where their products or services are contracted for, distributed or sold;

(c) any loss of, or adverse event, change, development, circumstance or fact in or with respect to, the relationship of the Company or any of its Subsidiaries, contractual or otherwise, with customers, employees, licensors, licensees, suppliers, distributors, partners or any similar relationship resulting from the entry into, public announcement of, pendency, or consummation of, this Agreement or any of the transactions contemplated by this Agreement;

(d) events or changes in applicable accounting standards or in any applicable Law;

(e) any failure by the Company to meet any internal or public projections or forecasts or estimates of revenues or earnings; provided that any Company-specific event, change, development, circumstance, fact or effect underlying such failure, to the extent not otherwise expressly excepted from being taken into account by any of clauses (a) through (i) of this definition of "Company Material Adverse Effect", may be taken into account in determining whether a Company Material Adverse Effect has occurred or would reasonably be expected to occur;

(f) any event, change, development or effect resulting from acts of war (whether or not declared), sabotage, terrorism, civil insurrection, military actions or the escalation of any of the foregoing, whether perpetrated or encouraged by a state or non-state actor or actors, any weather event or natural disaster, or any outbreak of illness or other public health event, epidemic or pandemic, however and by whomever caused;

(g) any act or omission to act by Parent or Merger Sub, on the one hand, or the Company, on the other hand, (including any action, omission to act, breach or violation by of or with respect to any of their respective obligations and agreements under this Agreement).

(h) a decline in the market price of the Parent Shares on the Canadian Stock Exchange; provided that any Parent-specific event, change, development or effect underlying such decline in market price, to the extent not otherwise expressly excepted from being taken into account by any of clauses (a) through (i) of this definition of "Company Material Adverse Effect", may be taken into account in determining whether a Company Material Adverse Effect has occurred or would reasonably be expected to occur;

(i) any Proceeding (whether asserted derivatively in the name and right of the Company, directly by any holder of Company Shares or Parent Shares, in the nature of a class action, or otherwise) arising out of or in connection with any actions or omissions to act, or alleging or asserting any breach of fiduciary duty or violation of any Law, by any of the Company's officers or directors with respect to the negotiation, decision to enter into, execution, delivery or performance by the Parties of this Agreement;

provided further that, with respect to clauses (a), (b), (d) and (f) of this definition, such events, changes, developments, circumstances, facts or effects (as the case may be) shall be taken into account in determining whether a "Company Material Adverse Effect" has occurred or

would reasonably be expected to occur to the extent they adversely and disproportionately affect the Company or Parent, as the case may be.

"**Company Material Contract**" has the meaning set forth in Section 5.10.

"**Company Option**" means any outstanding option to purchase Company Shares granted under the Incentive Plan.

"**Company Shareholders Meeting**" means the special meeting of shareholders of the Company to be held for the purpose of submitting this Agreement and the Merger to the holders of record of the Company Shares for their consideration and approval.

"**Company Shares**" means the common shares, par value $0.001 per share, of the Company.

"**Consolidation**" means the consolidation of the Parent Shares prior to the Effective Time on a 4:1 bases and a corresponding consolidation of the outstanding Parent Options on a 4:1 basis and an increase in the exercise price by a factor of four.

"**Contract**" means any legally binding and enforceable contract, agreement, lease, license, note, mortgage, indenture, arrangement or other obligation.

"**DGCL**" means the Delaware General Corporation Law.

"**Dissenting Company Share**" means each share of Company Shares owned by a Dissenting Company Shareholder as to which such Dissenting Company Shareholder has duly demanded and perfected, and has not withdrawn or otherwise waived or lost, dissenter's rights pursuant to the DGCL.

"**Dissenting Company Shareholder**" means a holder of Dissenting Company Shares who has duly demanded and perfected, and has not withdrawn or otherwise waived or lost, dissenter's rights pursuant to the DGCL.

"**Effective Time**" means the date and time when the Articles of Merger have been duly filed with and accepted by the Delaware Secretary of State, or such later date and time as may be agreed by the Parties in writing and specified in the Articles of Merger in accordance with the DGCL.

"**Electing Canadian Company Shareholder**" means a Canadian Company Shareholder that has validly made a "Canadian Exchange Offer Election" as described in Article IV of this Agreement.

"**Encumber**" has the meaning set forth in the definition of "Encumbrance."

"**Encumbrance**" means any pledge, lien, charge, option, hypothecation, mortgage, security interest, adverse right, prior assignment, or any other encumbrance of any kind or nature whatsoever, whether contingent or absolute, or any agreement, option, right or privilege (whether by Law, Contract or otherwise) capable of becoming any of the foregoing (and any action of correlative meaning, to "**Encumber**").

"**Exchange Ratio**" means X ÷ Company Fully Diluted Capital. Where X = [6,741,808 ÷ (Total Academy Value ÷ Total Resulting Issuer Value)] – 6,741,808. The Exchange Ratio shall be calculated subsequent to the completion of the Series C Financing on the day that is one day prior to the Effective Date *but* immediately prior to the Canadian Exchange Offer.

"**Export and Sanctions Regulations**" means all applicable sanctions and export control Laws in jurisdictions in which the Company or any of its Subsidiaries do business or are otherwise subject to jurisdiction, including the U.S. International Traffic in Arms Regulations, the Export Administration Regulations, and U.S. sanctions Laws and regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control.

"**FCPA**" means the U.S. Foreign Corrupt Practices Act of 1977.

"**GAAP**" means the generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, as applicable, as of the time of the relevant financial statements referred to herein.

"**Government Official**" means any official or Representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Entity, and includes any official or employee of any entity directly or indirectly owned or controlled by any Governmental Entity.

"**Governmental Entity**" means any U.S., non-U.S., or supranational governmental (including public international organizations), quasi-governmental, regulatory or self-regulatory authority, agency, commission, body, department or instrumentality, or any court, tribunal or arbitrator or other entity or subdivision thereof or other legislative, executive or judicial entity or subdivision thereof, in each case of competent jurisdiction.

"**Incentive Plan**" means the Company's 2018 Equity and Incentive Plan, as amended from time to time.

"**Indebtedness**" means, with respect to any Person, without duplication, all obligations or undertakings by such Person (a) for borrowed money (including deposits or advances of any kind to such Person), (b) evidenced by bonds, debentures, notes or similar instruments, (c) for capitalized leases (as determined in accordance with GAAP) or to pay the deferred and unpaid purchase price of property or equipment, (d) pursuant to securitization or factoring programs or arrangements, (e) to maintain or cause to be maintained the financing, financial position or covenants of others or to purchase the obligations or property of others, (f) net cash payment obligations of such Person under swaps, options, forward sales contracts, derivatives and other hedging Contracts, financial instruments or arrangements that will be payable upon termination thereof (assuming termination on the date of determination), (g) letters of credit, performance bonds, bank guarantees, and other similar Contracts or arrangements entered into by or on behalf of such Person, (h) all obligations under conditional sale or other title retention agreements relating to property or assets or (i) pursuant to guarantees and arrangements having the economic effect of a guarantee of any obligation or undertaking of any

other Person contemplated by the foregoing clauses (a) through (h) of this definition (other than solely between or among any of Parent and its Wholly Owned Subsidiaries or solely between or among the Company and its Wholly Owned Subsidiaries), in each case including all interest, penalties and other payments due with respect thereto.

"**Insurance Policies**" means any fire and casualty, general liability, business interruption, product liability, sprinkler and water damage, workers' compensation and employer liability, directors, officers and fiduciaries liability policies and other liability insurance policies, including any reinsurance policies.

"**Intellectual Property Rights**" means all rights anywhere in the world, in or to: (a) Trademarks; (b) patents, patent applications, registrations and invention disclosures, including divisionals, revisions, supplementary protection certificates, continuations, continuations-in-part, renewals, extensions, substitutes, re-issues and re-examinations; (c) Trade Secrets; (d) published and unpublished works of authorship, whether copyrightable or not (including Software, website and mobile content, data, databases and other compilations of information), copyrights therein and thereto, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (e) Internet domain names and URLs; and (f) rights of privacy, publicity and all other intellectual property, industrial or proprietary rights.

"**ITA**" means the *Income Tax Act* (Canada) including all regulations promulgated thereunder, as may be amended from time to time.

"**Law**" means any U.S. or non-U.S. federal, state, provincial, local, municipal or other law, statute, constitution, principle of common law, ordinance, code, standard, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity or any Order.

"**Letter of Intent**" means the letter of intent, dated as of July 18, 2018, by and between the Company and Parent.

"**Licenses**" means all licenses, permits, certifications, approvals, registrations, consents, authorizations, franchises, variances and exemptions issued or granted by a Governmental Entity.

"**Management Options**" means the 500,000 options issued to certain senior management employees of the Company each to purchase one Company Share at an exercise price of US$20.00.

"**Merger**" has the meaning set forth in the recitals.

"**Merger Sub**" has the meaning set forth in the preamble.

"**New Constating Documents**" means the share terms and by-laws to be adopted by Parent as of the Effective Time in the form of Exhibit A.

"**New Parent Option**" has the meaning set forth in Section 4.2(f).

"**Non-Participating Voting Shares**" means the new class of non-participating voting shares of Parent, entitling the holders thereof to 100 votes at any meeting of the Parent shareholders.

"**Order**" means any order, award, judgment, injunction, writ, decree (including any consent decree or similar agreed order or judgment), directive, settlement, stipulation, ruling, determination, decision or verdict, whether civil, criminal or administrative, in each case, that is entered, issued, made or rendered by any Governmental Entity.

"**Ordinary Course of Business**" means conduct that is (a) consistent in nature, scope and magnitude with the business practices of the Company prior to the date of this Agreement and taken in the ordinary course of normal, day-to-day operations of the Company and (b) similar in nature, scope and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of normal, day-to-day operations of other companies of similar size to the Company taken as a whole, but in all cases taking into account and giving effect to actions taken and omitted to be taken by the Company in expectation and furtherance of the Merger and the other transactions contemplated by this Agreement.

"**Organizational Documents**" means (a) with respect to any Person that is a corporation, its articles or certificate of incorporation, memorandum and articles of association, as the case may be, and bylaws, or comparable documents, (b) with respect to any Person that is a partnership, its certificate of partnership, if any, and partnership agreement, or comparable documents, (c) with respect to any Person that is a limited liability company, its certificate of formation or articles of organization and limited liability company or operating agreement, or comparable documents and (d) with respect to any other Person that is not an individual, its comparable organizational documents.

"**Other Anti-Bribery Laws**" means, other than the FCPA, all anti-bribery, anti-corruption, anti-money-laundering and similar applicable laws of each jurisdiction in which the Company and its Subsidiaries operate or have operated and in which any agent thereof is conducting or has conducted business involving the Company or any of its Subsidiaries.

"**Outside Date**" has the meaning set forth in Section 9.2(a).

"**Parent**" has the meaning set forth in the preamble.

"**Parent Board**" means the board of directors of Parent.

"**Parent Certificate**" means each certificate or electronic confirmation representing any Parent Shares or Parent Warrants.

"**Parent Disclosure Letter**" has the meaning set forth in 6.1.

"**Parent Material Adverse Effect**" means any event, change, development, circumstance, fact or effect that, individually or taken together with any other events, changes, developments, circumstances, facts or effects is, or would reasonably be expected to be, materially adverse to the condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), business operations or results of operations of Parent and Merger Sub (taken as a whole); provided, however, that none of the following, either alone or in

combination, shall be taken into account in determining whether a Parent Material Adverse Effect has occurred or would reasonably be expected to occur:

(a) events, changes, developments, circumstances or facts in or with respect to the economy, credit, capital, commodities securities or financial markets or political, regulatory trade or business conditions in the United States, Canada or globally;

(b) events, changes, developments, circumstances, facts or effects that are the result of factors generally affecting the industries in which any of the Parties operate or in the geographic markets in which any of the Parties operate or where their products or services are contracted for, distributed or sold;

(c) events or changes in applicable accounting standards or in any applicable Law;

(d) any event, change, development or effect resulting from acts of war (whether or not declared), sabotage, terrorism, civil insurrection, military actions or the escalation of any of the foregoing, whether perpetrated or encouraged by a state or non-state actor or actors, any weather event or natural disaster, or any outbreak of illness or other public health event, epidemic or pandemic, however and by whomever caused;

(e) any act or omission to act by the Company, on the one hand, or Parent or Merger Sub, on the other hand, (including any action, omission to act, breach or violation by of or with respect to any of their respective obligations and agreements under this Agreement);

(f) a decline in the market price of the Parent Shares on the Canadian Stock Exchange; provided that any Parent-specific event, change, development or effect underlying such decline in market price, to the extent not otherwise expressly excepted from being taken into account by any of clauses (a) through (h) of this definition of "Parent Material Adverse Effect", may be taken into account in determining whether a Parent Material Adverse Effect has occurred or would reasonably be expected to occur; or

(g) any Proceeding (whether asserted derivatively in the name and right of Parent, directly by any holder of Parent Shares or Company Shares, in the nature of a class action, or otherwise) arising out of or in connection with any actions or omissions to act, or alleging or asserting any breach of fiduciary duty or violation of any Law, by, any of Parent's or Merger Sub's officers or directors with respect to the negotiation, decision to enter into, execution, delivery or performance by the Parties of this Agreement;

provided further that, with respect to clauses (a), (b), (d) and (f) of this definition, such events, changes, developments, circumstances, facts or effects (as the case may be) shall be taken into account in determining whether a "Parent Material Adverse Effect" has occurred or would reasonably be expected to occur to the extent they adversely and disproportionately affect Parent or the Company, as the case may be.

"**Parent Options**" means the 400,000 options to purchase a Parent Share that are outstanding on the date hereof with an exercise price of C$0.02 *per* Parent Share and the 100,000 options that will be outstanding subsequent to the Consolidation with an exercise price of C$0.08 *per* Parent Share.

"**Parent Shares**" means the currently issued and outstanding common shares of Parent prior to the Consolidation and the new subordinated voting shares of Parent subsequent to the Consolidation.

"**Parent Special Shareholder Meeting**" has the meaning set forth in Section 6.4(c).

"**Parent Warrants**" means the warrants of Parent on the same economic terms as the Warrants, for which they will be exchanged for.

"**Parties**" and "**Party**" have the meanings set forth in the preamble.

"**Person**" means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Entity or other entity of any kind or nature.

"**Preferred Shares**" means the 1,090,245 preferred shares of the Company that will convert into 3,150,834 Company Shares on completion of the Series C Financing.

"**Proceeding**" means any action, cause of action, claim, controversy, complaint, demand, litigation, suit, investigation, review, mediation, grievance, citation, summons, subpoena, inquiry, audit, hearing, originating application or legal proceeding of any nature (whether sounding in Contract, tort or otherwise, and whether civil or criminal or brought at law or in equity) that is brought, asserted, instituted, commenced, tried, heard or reviewed by a Governmental Entity.

"**Proxy Statement**" has the meaning set forth in Section 7.2(a).

"**Registered**" means issued by, registered with, renewed by or the subject of a pending application before any Governmental Entity.

"**Representative**" means, with respect to any Person, any director, principal, partner, manager, member (if such Person is a member-managed limited liability company or similar entity), employee (including any officer), consultant, investment banker, financial advisor, legal counsel, authorized attorneys-in-fact, accountant or other advisor, agent or representative of such person, in each case acting in their capacity as such.

"**Requisite Company Vote**" means the approval of this Agreement by the holders of a majority of the outstanding Company Shares entitled to notice of and to vote on such matter at a meeting of the holders of Company Shares duly called and held for such purpose.

"**Section 85 Joint Tax Election**" means a joint tax election under section 85 of the ITA and described in Article IV of this Agreement.

"**Series C Financing**" means the equity financing by way of private placement commenced by the Company on July 18, 2018 offering units at US$9.30 comprised of one Company Share and one warrant to purchase a Company share with an exercise price of US$13.95 exercisable for one year.

"**Software**" means any computer program, application, middleware, firmware, microcode and other software, including production and editing software, operating systems, software implementations of algorithms, models and methodologies, in each case, whether in source code, object code or other form or format, including libraries, subroutines and other components thereof, and all documentation relating thereto.

"**Stockholders' Agreement**" means the Stockholders' Agreement dated as of May 5, 2014 among the Company and the holders of Company Shares and Preferred Shares.

"**Subsidiary**" means, with respect to any Person, any other Person of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other individuals performing similar functions is directly or indirectly owned or controlled by such Person or by one or more of its Subsidiaries.

"**Surviving Corporation**" has the meaning set forth in Section 2.1.

"**Takeover Statute**" means any "fair price," "moratorium," "interested shareholder," "control share acquisition," "business combination" or other anti-takeover Law or similar Law enacted under state or federal Law.

"**Tax Returns**" means all returns and reports (including elections, declarations, disclosures, schedules, estimates, information returns and other documents and attachments thereto) relating to Taxes or the administration of any Laws relating to Taxes, including any amendment thereof, required to be filed or supplied to Taxing Authority.

"**Taxes**" means all income, profits, franchise, transfer, net income, gross receipts, environmental, customs duty, capital stock, severances, stamp, payroll, sales, employment, unemployment, disability, use, property, withholding, excise, production, value added, *ad valorem*, occupancy and other taxes, duties or assessments of any nature whatsoever, together with all interest, penalties and additions imposed with respect to such amounts and any interest in respect of such penalties and additions, in each case imposed by any Taxing Authority.

"**Taxing Authority**" means any Governmental Entity having competent jurisdiction over the assessment, determination, collection or imposition of any Tax.

"**Third-Party Consents**" has the meaning set forth in Section 7.5.

"**Total Academy Value**" means US$5,000,000.

"**Total Resulting Issuer Value**" means US$85,000,000 *plus* the amount in US$ raised by the Company pursuant to the Series C Financing.

"**Trade Secrets**" means, collectively, confidential or proprietary trade secrets, inventions, discoveries, ideas, improvements, information, know-how, data and databases, including processes, schematics, business methods, formulae, drawings, specifications, prototypes, models, designs, customer lists and supplier lists, that, in each case: (a) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value

from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

"**Trademarks**" means, collectively, trademarks, service marks, brand names, certification marks, collective marks, d/b/a's, logos, symbols, trade dress, trade names, and other indicia of origin, all applications and registrations for the foregoing, and all goodwill associated therewith and symbolized thereby, including all renewals of the same.

"United States" means the United States of America, its territories and possessions, any state of the United States and District of Columbia.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Warrants**" means the warrants of the Company outstanding on the date hereof to purchase 3,200,101 Company Shares at exercise prices ranging from US$0.92 to US$15.00.

"**Wholly Owned Subsidiary**" means, with respect to any Person, any other Person of which all of the equity or ownership interests of such other Person are directly or indirectly owned or controlled by such first Person.

1.2. Other Terms. Each of the other capitalized terms used in this Agreement has the meaning set forth where such term is first used or, if no meaning is set forth, the meaning required by the context in which such term is used.

1.3. Interpretation and Construction.

(a) The table of contents and headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions of this Agreement.

(b) All preamble, recital, article, section, subsection, schedule, and exhibit references used in this Agreement are to the preamble, recitals, articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified herein.

(c) Unless the context expressly otherwise requires, for purposes of this Agreement:

(i) if a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb);

(ii) the terms defined in the singular have a comparable meaning when used in the plural and *vice versa*;

(iii) words importing the masculine gender shall include the feminine and neutral genders and *vice versa*;

(iv) whenever the words "includes" or "including" are used, they shall be deemed to be followed by the words "including without limitation";

(v) the words "hereto," "hereof," "hereby," "herein," "hereunder" and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement; and

(vi) the word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends and such phrase shall not mean simply "if."

(d) The symbol "US$" shall mean United States dollars and the symbol "C$" shall mean Canadian dollars.

(e) Except as otherwise specifically provided herein, when calculating the period of time within which, or following which, any action is to be taken pursuant to this Agreement, the date that is the reference day in calculating such period shall be excluded. References to a number of days shall refer to calendar days unless Business Days are specified.

(f) Except as otherwise specifically provided herein, (i) all references to any statute in this Agreement include the rules and regulations promulgated thereunder, and unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith, and (ii) all references to any Law in this Agreement shall be a reference to such Law as amended, re-enacted, consolidated or replaced as of the applicable date or period of time.

(g) Except as otherwise specifically provided herein, all references in this Agreement to any Contract, other agreement, document or instrument (excluding this Agreement) mean such Contract, other agreement, document or instrument as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and, unless otherwise specified therein, include all schedules, annexes, addendums, exhibits and any other documents attached thereto or incorporated therein.

(h) The Company Disclosure Letter or the Parent Disclosure Letter may include items and information the disclosure of which is not required either in response to an express disclosure requirement set forth in a provision of this Agreement or as an exception to one or more representations or warranties or covenants set forth in this Agreement. Inclusion of any such items or information shall not be deemed to be an acknowledgement or agreement that any such item or information (or any non-disclosed item or information of comparable or greater significance) is "material" or has had a Company Material Adverse Effect or a Parent Material Adverse Effect, as the case may be.

(i) The Parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

ARTICLE II
The Merger; Closing; Effective Time

2.1. The Merger. Subject to the terms and conditions of this Agreement and the applicable provisions of the DGCL, (a) at the Effective Time, Merger Sub shall be merged with and into the Company and the separate corporate existence of Merger Sub shall thereupon cease; (b) the Company shall be the surviving corporation in the Merger (sometimes referred to as the "**Surviving Corporation**") and, from and after the Effective Time, shall be a Wholly Owned Subsidiary of Parent and the separate corporate existence of the Company with all of its rights, privileges, immunities, powers and franchises shall continue unaffected by the Merger; and (c) the Merger shall have such other effects as provided in the DGCL.

2.2. Closing. The Closing shall take place by remote communication as soon as practicable following the satisfaction or waiver of the last of the conditions set forth in Article VIII to be satisfied (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permitted by Law, waiver of those conditions).

2.3. Effective Time. As promptly as practicable following the Closing, but on the Closing Date, the Parties shall cause the Articles of Merger to be executed and filed with the Delaware Secretary of State as provided in the DGCL. The Merger shall become effective at the Effective Time.

ARTICLE III
Articles of Incorporation and Bylaws; Directors and Officers of the Surviving Corporation

3.1. Articles of Incorporation of the Surviving Corporation. At the Effective Time, the articles of incorporation of the Company as in effect immediately prior to the Effective Time shall be amended and restated to read in their entirety as set forth in Exhibit B hereto, which, as so amended and restated, shall be the articles of incorporation of the Surviving Corporation (the "**Charter**"), until thereafter amended in accordance with their terms, the terms of this Agreement and applicable Law.

3.2. The Bylaws of the Surviving Corporation. At the Effective Time, the bylaws of the Company as in effect immediately prior to the Effective Time shall be amended and restated to read in their entirety as set forth in Exhibit C hereto, which, as so amended and restated, shall be the bylaws of the Surviving Corporation (the "**Bylaws**"), until thereafter amended in accordance with the terms of the Charter, such bylaws, the terms of this Agreement and applicable Law.

3.3. Directors and Officers of the Surviving Corporation. At the Effective Time, (i) the directors of the Company immediately prior to the Effective Time other than Charles Smith shall cease to be directors of the Company, and Charles Smith shall become and constitute the only director of the Surviving Corporation to hold office until his successor has been duly elected or appointed and qualified or until his death, resignation or removal in accordance with the Organizational Documents of the Surviving Corporation and applicable Law, and (ii) the officers of the Company immediately prior to the Effective Time shall become

and constitute the only officers of the Surviving Corporation, each to hold office until his or her successor has been duly elected or appointed and qualified or until his or her earlier death, resignation or removal in accordance with the Organizational Documents of the Surviving Corporation and applicable Law. The Parties shall take all actions necessary to give effect to the foregoing provision, including the delivery of all applicable instruments and notices of resignation.

ARTICLE IV
Effect of the Merger on Capital Stock; Exchange of Certificates

4.1. Offer to Purchase Company Shares and Preferred Shares of Canadian Residents.

(a) All Canadian Company Shareholders will be given the opportunity to sell all (but not less than all) of their Company Shares to Parent pursuant to the Canadian Exchange Offer. All sales of Company Shares pursuant to the Canadian Exchange Offer will be effective at the end of the day immediately preceding the Closing Date of the Merger. As such, any Electing Canadian Company Shareholder shall transfer their Company Shares to Parent prior to the Effective Time of the Merger and will not participate in the Merger.

(b) Notwithstanding anything else to the contrary in this Agreement, Parent agrees to purchase from any Electing Canadian Company Shareholder all (but not less than all) of such Electing Canadian Company Shareholder's Company Shares in exchange for such number of Parent Shares as described in the definition of the Canadian Exchange Offer.

(c) A Canadian Company Shareholder that elects to participate in the Canadian Exchange Offer must complete the "Election to Participate in Canadian Exchange Offer" (the "**Canadian Exchange Offer Election**"), attached hereto as Exhibit D, and return a copy to both of Parent and the Company no later than five Business Days prior to the Effective Date. Failure of any particular Canadian Company Shareholder to return a fully completed Canadian Exchange Offer Election in the manner prescribed will result in such Canadian Company Shareholder disposing of its Company Shares pursuant to the Merger as opposed to the Canadian Exchange Offer, which may have material adverse Canadian income tax implications to such Canadian Company Shareholder.

4.2. Effect of the Merger on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any capital stock of the Company or on the part of the sole shareholder of Merger Sub:

(a) each Company Share issued and outstanding immediately prior to the Effective Time (which for greater certainty does not include any Company Shares sold by an Electing Canadian Company Shareholder to Parent pursuant to the Canadian Exchange Offer) will be transferred by each holder thereof to Parent in exchange for that number of Parent Shares that is equal to the Exchange Ratio;

(b) each Merger Sub share issued and outstanding immediately prior to the Effective Time shall be exchanged for one share of common stock of the Surviving Corporation as a result of the Merger;

(c) each Company Share held by Parent will be exchanged for 0.01 shares of common stock of the Surviving Corporation as a result of the Merger;

(d) each Warrant issued and outstanding immediately prior to the Effective Time will be automatically converted, without further action of the holder thereof, into a Parent Warrant to purchase that number of Parent Shares equal to the Exchange Ratio, each with an exercise price of 1 divided by the Exchange Ratio for one Parent Share, and shall cease to be outstanding, shall be cancelled and shall cease to exist;

(e) each Company Option issued and outstanding immediately prior to the Effective Time will be automatically converted, without further action of the holder thereof, into an option (a "**New Parent Option**") to purchase that number of Parent Shares equal to the Exchange Ratio, each with an exercise price of 1 divided by the Exchange Ratio for one Parent Share, and shall cease to be outstanding, shall be cancelled and shall cease to exist;

(f) each Company Share held in the treasury of the Company immediately prior to the Effective Time, if any, will be canceled and extinguished without any conversion thereof; and

(g) each Management Option will be automatically converted, without further action of the holder thereof, into one Non-Participating Voting Share and all Management Options shall thereafter be cancelled.

provided however, each holder of (i) Company Shares or Warrants that did not acquire the Company Shares or Warrants in the Series C Financing, and (ii) Management Options entitled to receive Non-Participating Voting Shares, may, as a condition of receiving Parent Shares, Parent Warrants and Non-Participating Voting Shares, as applicable, pursuant to Sections 4.2(a), 4.2(d) and 4.2(g), be required to deliver a certificate in a form satisfactory to the Company and Parent (i) as to their status as an "accredited investor," as defined in Rule 501(a) of Regulation D promulgated under the U.S. Securities Act (if such holder of Company Shares, Warrants or Management Options is in the United States) or (ii) or confirming that such holder is outside the United States, together with any supporting information as reasonably requested by the Company or Parent in order to confirm their status and the availability of an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws for the issuance of such Parent Shares, Parent Warrants and Non-Participating Voting Shares, as applicable, to such holder.

4.3. Exchange of Certificates.

(a) Procedures for Surrender.

(i) As promptly as reasonably practicable after the Effective Time (but in any event within three Business Days thereafter), Parent shall cause to be provided to each holder of record of Company Shares and/or Warrants by mail notice advising such holders of the effectiveness of the Merger, which notice shall include (A) appropriate transmittal materials (including a customary letter of transmittal) specifying that delivery shall be effected, and risk of loss and title to each Company Certificate shall pass only upon delivery of such Company Certificate (or affidavits of loss in lieu of the Company Certificates, as provided in Section 4.3(b)), such materials to be in such form and have such other provisions as Parent and the Company may reasonably agree and (B) instructions for effecting the surrender of Company Certificates (or affidavits of loss in lieu of Company Certificates, as provided in Section 4.3(b)).

(ii) Upon surrender to Parent of a Company Certificate in accordance with the instructions set forth in Section 4.3(a)(i), the holder of such Company Certificate shall be entitled to receive in exchange therefor, and Parent shall promptly provide the holder of such Company Certificate, one or more Parent Certificates representing the number of Parent Shares, Parent Warrants, New Parent Options and Non-Participating Voting Shares such holder received as a result of the Merger.

(iii) In the event of a transfer of ownership of any Company Certificate that is not registered in the stock transfer books or ledger of the Company, or if a Parent Certificate is to be in a name other than that in which the Company Certificate or Company Certificates surrendered or transferred in exchange therefor are registered in the stock transfer books or ledger of the Company, upon due surrender of any such Company Certificate or Company Certificates, one or more Parent Certificates will be issued to such a transferee if the Certificate or Certificates is or are properly endorsed and otherwise in proper form for surrender and presented to Parent, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable transfer Taxes have been paid or are not applicable, in each case, in form and substance reasonably satisfactory to Parent.

(b) Lost, Stolen or Destroyed Certificates. In the event any Company Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Company Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such Person of a bond in customary amount and upon such terms as may be required by Parent as indemnity against any claim that may be made against it or the Surviving Corporation with respect to such Company Certificate, Parent shall issue in exchange for such Company Certificate a Parent Certificate one or more Parent Certificates representing the number of Parent Shares such holder received as a result of the Merger.

(c) U.S. Restrictions. upon the delivery and surrender by the holder thereof to the Parent of certificates representing, or evidence of ownership on the Company's share or securities register of, Company Shares, Warrants and Management Options, which have been converted into the right to receive Parent Shares, Parent Warrants and Non-Participating Voting Shares, as applicable, in accordance with the provisions of Section 4.2 hereof, the Parent shall

on the Effective Date, or as soon as practicable thereafter following the date of receipt by the Parent of the certificates referred to above, deliver to each such holder certificates representing the number of Parent Shares, Parent Warrants and Non-Participating Voting Shares, as applicable, to which such holder is entitled, provided that the same may be either in certificated or uncertificated form registered in the name of CDS Clearing and Depository Services Inc. ("CDS") or its nominee and held by, or on behalf of, CDS, as depositary for the participants of CDS; provided, further, that notwithstanding anything to the contrary contained herein, all Parent Shares, Parent Warrants and Non-Participating Voting Shares issued to former security holders in the Company, or any other Person, in the United States or otherwise holding Company Shares, Warrants and Management Options that are subject to transfer restrictions imposed by the U.S. Securities Act shall be issued in the form of definitive certificates registered in the name of the holder thereof or its nominee, which certificates shall bear a U.S. Securities Act legend.

(d) Dissenter's Rights.

(i) Each Dissenting Company Shareholder who has not voted such Company Shares in favor of the adoption of this Agreement and the Merger and with respect to which appraisal shall have been duly demanded and perfected in accordance with Section 262 of the DGCL and not effectively withdrawn or forfeited prior to the Effective Time. Dissenting Company Shares shall not be converted into or represent the right to receive Parent Shares unless such Dissenting Company Shareholder's right to appraisal shall have ceased in accordance with the DGCL. If such Dissenting Company Shareholder has so forfeited or withdrawn his, her or its right to appraisal of Dissenting Company Shares, then, (i) as of the occurrence of such event, such holder's Dissenting Company Shares shall cease to be Dissenting Company Shares and shall be converted into and represent the right to receive the Parent Shares issuable in respect of such Company Shares pursuant to Section 4.2, and (ii) Parent shall deliver or cause to be delivered to such holder certificates representing the Parent Shares to which such holder is entitled pursuant to Section 4.2.

(ii) The Company shall give Parent prompt notice of any written demands for appraisal of any Company Shares, withdrawals of such demands, and any other instruments that relate to such demands received by the Company. The Company shall not, except with the prior written consent of Parent, make any payment with respect to any demands for appraisal of Company Shares or offer to settle or settle any such demands unless required by the Delaware Court of Chancery.

4.4. Treatment of Incentive Plan and Stockholders' Agreement. At or prior to the Effective Time, the Company and the Company Board shall adopt any resolutions and take any actions that are necessary to (i) effectuate the treatment of Section 4.2(f) and (ii) cause the Incentive Plan and the Stockholders' Plan to terminate at or prior to the Effective Time.

4.5. Adjustments to Prevent Dilution. Notwithstanding anything to the contrary set forth in this Agreement, if, from the date of this Agreement to the earlier of the Effective Time and the termination of this Agreement pursuant to Article IX, the issued and outstanding Company Shares shall have been changed into a different number of such shares or securities or a different class by reason of any reclassification, stock split (including a reverse stock split),

stock dividend or distribution, recapitalization, merger, issuer tender or exchange offer, or other similar transaction, or a stock dividend with a record date within such period shall have been declared, then the number of Parent Shares issuable to each holder of Company Shares shall be appropriately adjusted to provide the holders of Company Shares the same Parent Share ownership position as contemplated by this Agreement prior to such event; provided, however, that nothing in this Section 4.5 shall be construed to permit the Company or any other Person to take any action except to the extent consistent with, and not otherwise prohibited by, the terms of this Agreement.

4.6. U.S. Tax Treatment. For U.S. federal income tax purposes, this Agreement is intended to constitute, and the Parties hereby adopt this Agreement as, a "plan of reorganization" within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a). Each Party agrees that, for U.S. federal income tax purposes, (a) it shall treat the Merger as a tax-free reorganization within the meaning of Section 368(a) of the Code; (b) that it shall report the Merger as a "reorganization" within the meaning of Section 368(a) of the Code and it shall not take any tax reporting position inconsistent with such treatment for U.S. federal, state and other relevant tax purposes; (c) the Company, Parent and Merger Sub are "parties to a reorganization" within the meaning of Section 368(b) of the Code; (d) it shall retain such records and file such information as is required to be retained and filed pursuant to Treasury Regulation Section 1.368(a)-3 in connection with the Merger; and (e) it shall otherwise use its best efforts to cause the Merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. In connection with the Merger and at all times from and after the Effective Date, the Parties agree to treat Parent as a United States domestic corporation for U.S. federal income tax purposes pursuant to Section 7874(b) of the Code. No Party shall take any action, fail to take any action, cause any action to be taken or cause any action to be taken or cause any action to fail to be taken that could reasonably be expected to prevent (1) the Merger from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code, or (2) Parent from being treated as a United States domestic corporation for U.S. federal income tax purposes pursuant to Section 7874(b) of the Code. Each Party hereto agrees to act in good faith, consistent with the intent of the Parties and the intended U.S. federal income tax treatment of the Merger as set forth in this Section 4.6.

ARTICLE V
Representations and Warranties of the Company

Except as set forth in the corresponding sections of the confidential disclosure letter delivered to Parent by the Company prior to or concurrently with the execution and delivery of this Agreement (the "**Company Disclosure Letter**") (it being agreed that for the purposes of the representations and warranties made by the Company in this Agreement, disclosure of any item in any section of the Company Disclosure Letter shall be deemed disclosure with respect to any other section to the extent the relevance of such item is reasonably apparent on its face), the Company hereby represents and warrants to Parent and Merger Sub that:

5.1. Organization, Good Standing and Qualification. The Company and each of its Subsidiaries is a legal entity duly organized, validly existing and, to the extent such concept

is applicable, in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as currently conducted and is qualified to do business and, to the extent such concept is applicable, is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except, solely with respect to the Company's Subsidiaries, as would not have a Company Material Adverse Effect. The Company has made available to Parent correct and complete copies of the Company's and its Subsidiaries' Organizational Documents in the forms that are in full force and effect as of the date of this Agreement.

5.2. Subsidiaries. Section 5.2 of the Company Disclosure Letter sets forth (a) each of the Company's direct and indirect Subsidiaries and the ownership interest of the Company in each such Subsidiary and (b) the Company's or its Subsidiaries' capital stock, equity interest or other direct or indirect ownership interest in any other Person. The Company owns, directly or indirectly, all of the capital stock or other equity interests of each of the Subsidiaries free and clear of any Encumbrances, and all of the issued and outstanding shares of capital stock of each of the Subsidiaries are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

5.3. Capital Structure.

(a) The authorized capital stock of the Company consists of 100,000,000 Company Shares and 1,300,000 Preferred Shares. As of the date hereof the only issued and outstanding capital stock of the Company consists of 4,400,000 Company Shares and 1,090,245 Preferred Shares. All of the outstanding Company Shares and Preferred Shares have been duly authorized and are validly issued, fully paid and nonassessable and are free and clear of any Encumbrance. Other than 3,150,808 Company Shares reserved for issuance under the Preferred Shares, the 1,049,919 Company Shares reserved for issuance under the Warrants, 2,150,182 Company Shares reserved for issuance under the Company Options under the Incentive Plan and 500,000 Company Shares reserved for issuance under the Management Options, the Company has no additional shares of capital stock reserved for issuance. Upon any issuance of Company Shares in accordance with the terms of the Preferred Shares, Warrants, Company Options, Incentive Plan or Management Options, such shares will be duly authorized, validly issued, fully paid and nonassessable and free and clear of any Encumbrances. Other than as set out in the Company Disclosure Letter, the Company does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of the Company on any matter.

(b) All of the outstanding shares of capital stock of the Company have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for, purchase or otherwise acquire securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders other than the Stockholders' Agreement.

(c) Section 5.3(c) of the Company Disclosure Letter sets forth a correct and complete listing of all outstanding Company Options and Warrants as of the date hereof, setting forth the number of Company Shares subject to such Company Options and Warrants and the exercise price with respect to each Company Option and Warrant, as applicable. Except for the terms of the Preferred Shares, Company Options, Warrants and Management Options, there are no preemptive or other outstanding rights, options, warrants, conversion rights, stock appreciation rights, redemption rights, repurchase rights, agreements, arrangements, calls, commitments or rights of any kind that obligate the Company or any of its Subsidiaries to issue or to sell any shares of capital stock or other securities of the Company or any of its Subsidiaries or any securities or obligations convertible or exchangeable into or exercisable for, valued by reference to or giving any Person a right to subscribe for or acquire, any securities of the Company or any of its Subsidiaries, and no securities or obligations evidencing such rights are authorized, issued or outstanding. There are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. Upon any issuance of any Company Shares in accordance with the terms of the Preferred Shares, Company Options, Incentive Plan, Warrants and Management Options, such Company Shares will be duly authorized, validly issued, fully paid and non-assessable and free and clear of any Encumbrance.

5.4. Corporate Authority and Approval.

(a) The Company has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement and to consummate the transactions as contemplated by this Agreement, subject only to obtaining the Requisite Company Vote. This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and remedies and to general equity principles (the "**Bankruptcy and Equity Exception**").

(b) The Company Board unanimously (i) determined that this Agreement and the transactions contemplated by this Agreement are fair to, and in the best interests of, the Company and its shareholders, (ii) adopted this Agreement and the transactions contemplated by this Agreement, (iii) directed that this Agreement be submitted for approval by a vote of the holders of Company Shares and Preferred Shares at the Company Shareholders Meeting and (iv) recommended that such holders vote affirmatively at the Company Shareholders Meeting to approve this Agreement and the Merger. The foregoing resolutions have not been withdrawn or modified.

5.5. Governmental Filings; No Violations; Certain Contracts.

(a) No filings, notices, reports, consents, registrations, approvals, permits or authorizations are required to be made by the Company with, nor are any required to be made or obtained by the Company with or from, any Governmental Entity in connection with the

execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated by this Agreement, or in connection with the continuing operation of the business of the Company and its Subsidiaries following the Effective Time, except as would not have a Company Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

(b) The execution, delivery and performance of this Agreement by the Company do not, and the consummation of the transactions contemplated by this Agreement will not, constitute or result in (A) a breach or violation of, or a default under, the Organizational Documents of the Company or any of its Subsidiaries, (B) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) of or default under, the loss of any benefit under, the creation or acceleration of any obligations under or the creation of an Encumbrance on any of the rights or assets of the Company or any of its Subsidiaries pursuant to, any Contract binding upon the Company or any of its Subsidiaries, or, assuming (solely with respect to performance by the Company of this Agreement and the consummation of the transactions contemplated by this Agreement) compliance with the matters referred to in Section 5.5(a) or under any Law or Order applicable to the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is subject or (C) (i) any change in the substantive rights or obligations of any party under any Contract binding upon the Company or any of its Subsidiaries, except, in the case of clause (B) or (C) above, as would not have a Company Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

5.6. Compliance with Laws; Licenses.

(a) Compliance with Laws. The businesses of the Company and its Subsidiaries have not been, and are not being, conducted in violation of any applicable Law, except for such non-compliance as would not have a Company Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement. Except with respect to routine examinations of patent, trademark and copyright applications filed or to be filed with U.S. and non-U.S. patent offices, to the knowledge of the Company no investigation or review by any Governmental Entity with respect to the Company or any of the Subsidiaries is pending, nor has any Governmental Entity notified the Company in writing of an intention to conduct the same.

(b) FCPA and Other Anti-Bribery Laws; Export and Sanctions Regulations.

(i) The Company, its Subsidiaries and their respective owners, directors, employees (including officers) and agents are in compliance with and have complied with the FCPA, the Other Anti-Bribery Laws and the Export and Sanctions Regulations. No Proceeding by or before any Governmental Entity involving the Company or any of its Subsidiaries with respect to the FCPA, the Other Anti-Bribery Laws or the Export and Sanctions Regulations is pending or, to the knowledge of the Company, threatened.

(ii) None of the Company, any of the Subsidiaries or any employee (including officer), agent or Affiliate of the Company or any of its Subsidiaries (A) has paid, offered or promised to pay, or authorized or ratified the payment, directly or indirectly, of any

monies or anything of value to any Government Official or any political party or candidate for political office for the purpose of influencing any act or decision of such official or of any Governmental Entity to obtain or retain business, or direct business to any person or to secure any other improper benefit or advantage, in each case in violation in any respect of the FCPA or any of the Other Anti-Bribery Laws, or (B) is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

(iii) The Company and its Subsidiaries have instituted policies and procedures designed to ensure compliance with the FCPA, the Other Anti-Bribery Laws and the Export and Sanctions Regulations and have maintained such policies and procedures in full force and effect.

5.7. Financial Statements; Liabilities. The financial statements of the Company fairly present in all material respects the financial condition of the Company. The Company has no material liabilities not expressed on its financial statements, and to the knowledge of the Company there are no material contingent liabilities, except current liabilities incurred in the Ordinary Course of Business that have not been, either in any individual case or in the aggregate, materially adverse.

5.8. Absence of Certain Changes. Since the Applicable Date and through the date of this Agreement, (i) the Company and its Subsidiaries have conducted their respective businesses only in the Ordinary Course of Business; and (ii) there has not occurred any event, change, development, circumstance or fact that, individually or taken together with any other events, changes, developments, circumstances, facts or effects, have had a Company Material Adverse Effect.

5.9. Material Company Contracts. Each Company Contract that is material to the Company (a "**Company Material Company**") is valid and binding on the Company or its Subsidiaries, as the case may be, and, to the knowledge of the Company, each other party thereto, and is in full force and effect, except as would not have a Company Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement. There is no breach or event of default under any Company Material Contract by the Company or its Subsidiaries or, to the knowledge of the Company, any other party thereto, and no event has occurred that with the lapse of time or the giving of notice or both would constitute a default thereunder by the Company or its Subsidiaries, or, to the knowledge of the Company, any other party thereto, in each case, except as has not had a Company Material Adverse Effect or as would not prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

5.10. Books and Records. The books of account of the Company and its Subsidiaries have been kept accurately in all material respects in the Ordinary Course of Business, the transactions entered therein represent *bona fide* transactions, and the revenues, expenses, assets and liabilities of the Company and its Subsidiaries have been properly recorded therein in all material respects. The corporate records and minute books of the Company and each of its Subsidiaries have been maintained in accordance with all applicable Laws in all material respects, and such corporate records and minute books are correct and complete in all material respects. The Company Financial Statements have been prepared in a manner consistent

in all material respects with the books of account and other records of the Company and its Subsidiaries.

5.11. Litigation.

(a) As of the date hereof, there are no Proceedings pending or, to the knowledge of the Company, threatened in writing against the Company or any of its Subsidiaries which, were any such Proceeding to result in an Order adverse to the Company or any of its Subsidiaries, would have a Company Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

(b) Neither the Company nor any of its Subsidiaries is a party to or subject to the provisions of any Order that restricts the manner in which the Company and its Subsidiaries conduct their businesses in any material respect, or that would, individually or in the aggregate, reasonably be expected to prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

(c) Neither the Company nor any of the Subsidiaries, nor any director or officer thereof, is or has been the subject of any Proceeding involving a claim of violation of or liability under federal or state securities laws or, as of the date hereof, a claim of breach of fiduciary duty.

5.12. Employee Benefits.

(a) Section 5.12 of the Company Disclosure Letter sets forth a correct and complete list of each Company Benefit Plan.

(b) With respect to each Company Benefit Plan, the Company has made available to Parent, to the extent applicable, correct and complete copies of (i) the Company Benefit Plan document, including any amendments or supplements thereto, and all related trust documents, insurance contracts or other funding vehicles, (ii) a written description of any material Company Benefit Plan if such plan is not set forth in a written document, (iii) the most recently prepared actuarial report and (iv) all material correspondence to or from any Governmental Entity received in the last three years with respect to any Company Benefit Plan.

(c) With respect to each Company Benefit Plan, all material payments, contributions, and premiums that are required to have been made in accordance with the terms of such Company Benefit Plan and applicable Laws have been made. There are no actions (other than routine claims for benefits in the Ordinary Course of Business) pending or, to the knowledge of the Company, currently threatened in writing with respect to any Company Benefit Plan.

(d) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (i) entitle any Person to any payment, forgiveness of Indebtedness, vesting, distribution, or increase in benefits or compensation under, or with respect to, any Company Benefit Plan; (ii) result in any acceleration (of vesting or payment of benefits or compensation or otherwise) under, or with

respect to, any Company Benefit Plan; or (iii) trigger any obligation to fund any Company Benefit Plan.

(e) Notwithstanding anything to the contrary contained in this Agreement, the representations and warranties contained in this Section 5.12 constitute the sole representations and warranties made by the Company in this Agreement with respect to employee benefit matters.

5.13. Environmental Matters. To the knowledge of the Company, neither the Company nor any of its Subsidiaries is not in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety, and to the knowledge of the Company, no material expenditures are or will be required in order to comply with any such existing statute, law or regulation.

5.14. Tax Matters.

(a) The Company and each of its Subsidiaries (i) have prepared in good faith and duly and timely filed (taking into account any extension of time within which to file) all material Tax Returns required to be filed by any of them with the appropriate Taxing Authority and all such filed Tax Returns are correct and complete in all material respects, (ii) have paid all material Taxes that are required to be paid (whether or not shown on any Tax Returns), (iii) have withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, stockholder, creditor, independent contractor or third party (each as determined for Tax purposes), (iv) have complied with all information reporting (and related withholding) and record retention requirements and (v) have not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(b) No deficiency with respect to an amount of Taxes has been proposed, asserted or assessed against the Company or any of its Subsidiaries and there are no pending or, to the knowledge of the Company, threatened Proceedings regarding any Taxes of the Company and its Subsidiaries or the assets of the Company and its Subsidiaries.

(c) In the prior six-year period, neither the Company nor any of its Subsidiaries has been informed in writing by any jurisdiction that the jurisdiction believes that the Company or any of its Subsidiaries was required to file any material Tax Return that was not filed.

(d) The Company has made available to Parent correct and complete copies of any private letter ruling requests, closing agreements or gain recognition agreements with respect to Taxes requested or executed in the prior six-year period.

(e) There are no Encumbrances for Taxes (except Taxes not yet due and payable) on any of the assets of the Company or any of its Subsidiaries.

(f) Neither the Company nor any of its Subsidiaries is a party to or is bound by any Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement solely between or among the Company and its Subsidiaries) except

for agreements entered into in the Ordinary Course of Business, the principal purpose of which is not to indemnify for Taxes.

(g) Notwithstanding anything to the contrary herein, this Section 5.14 and the provisions of Section 5.12 pertaining to Taxes are the only representations being made by the Company with respect to Taxes.

5.15. Real Property.Neither the Company nor any of the Subsidiaries owns any real property.

(b) The Company's only leased property is its office headquarters, which lease is valid and in full force and effect, and the Company is not in breach of or default under such lease.

5.16. Title to Tangible Property.

(a) Each of the Company and its Subsidiaries has good and valid title to, or a valid leasehold interest in, all the tangible properties and assets which it purports to own or lease, including all the tangible properties and assets reflected on consolidated balance sheets included in the Company Financial Statements.

(b) All tangible properties and assets reflected therein are held free and clear of all Encumbrances, except for Encumbrances reflected on consolidated balance sheets included in the financial statements of the Company, Encumbrances for current Taxes not yet due and other Encumbrances that do not materially impair the use of the property or assets subject thereto.

5.17. Intellectual Property.

(a) Section 5.17(a) of the Company Disclosure Letter sets forth a true and complete list, as of the date of this Agreement, of all Registered Company Intellectual Property Rights.

(b) The Company and its Subsidiaries own or, to the knowledge of the Company, otherwise have sufficient and valid rights to use all Intellectual Property Rights material to, and used in or necessary for, the conduct of their respective businesses as currently conducted and as currently planned to be conducted, all of which rights shall survive the consummation of the transactions contemplated by this Agreement, without modification, cancellation, termination, suspension of, or acceleration of any right, obligation or payment with respect to any such Intellectual Property Right.

(c) To the knowledge of the Company, none of the Company, its Subsidiaries, the conduct of the respective businesses of the Company and its Subsidiaries as currently conducted and as currently planned to be conducted, nor any product or service of the Company or any of its Subsidiaries, has infringed, misappropriated or otherwise violated in the prior three-year period, or does or will infringe, misappropriate or otherwise violate any Intellectual Property Right of any Person, whether directly or indirectly, or has constituted a libel, slander or other defamation of any Person.

(d) To the knowledge of the Company, within the prior three-year period, no Person has infringed, misappropriated or otherwise violated any Company Intellectual Property Right, whether directly or indirectly.

(e) Each of the Company and each of its Subsidiaries has taken commercially reasonable steps to protect, register and maintain the Registered Company Intellectual Property Rights it owns or purports to own. Each current and former employee and consultant of the Company or any of its Subsidiaries that has contributed to the creation or development of any Company Intellectual Property Right for or on behalf of the Company or any of its Subsidiaries has executed a valid and enforceable confidentiality agreement in substantially the forms made available to Parent, pursuant to which such employee or consultant is obligated to maintain all of the Company's and each of its Subsidiaries' confidential information (including any Trade Secrets included in the Company Intellectual Property Rights and any third party confidential information disclosed to the Company or any of its Subsidiaries on a confidential basis) as strictly confidential and not use any such information except as authorized by the Company or such Subsidiary. No current or former employee or consultant of the Company or its Subsidiaries has made any ownership claim with respect to any Company Intellectual Property Right to which the Company or any of its Subsidiaries claims any ownership right, title or interest, and to the knowledge of the Company's, there is no reasonable basis for any such claim.

5.18. Insurance. All Insurance Policies maintained by the Company or any of its Subsidiaries are with reputable insurance carriers, provide full and adequate coverage for all normal risks incident to the business of the Company and its Subsidiaries and their respective properties and assets, and are in character and amount at least equivalent to that carried by Persons engaged in similar businesses and subject to the same or similar risks. Each Insurance Policy is in full force and effect and, to the extent applicable, all premiums due with respect to all Insurance Policies have been paid, and, to the extent applicable, neither the Company nor any of its Subsidiaries has taken any action or failed to take any action that (including with respect to the transactions contemplated by this Agreement), with notice or lapse of time or both, would constitute a breach or event of default, or permit a termination of any of the Insurance Policies. The Company has made available to Parent correct and complete copies or summary descriptions of the Insurance Policies.

5.19. No Other Representations or Warranties; Non-Reliance. Except for the express written representations and warranties made by the Company, neither the Company nor any of its Representatives or other Person makes any express or implied representation or warranty with respect to the Company or any of its Affiliates or any of their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects in connection with this Agreement, the Merger or any of the other transactions contemplated by this Agreement, and the Company hereby expressly disclaims making any such other representations or warranties. With respect to the preceding sentence, Parent and Merger Sub hereby expressly disclaim that any of Parent, Merger Sub or any of their respective Affiliates or Representatives has relied on or are relying on any representations or warranties regarding the Company, other than the express written representations and warranties of the Company expressly set forth in this Agreement, and Parent and Merger Sub hereby further acknowledge that none of the Company, any of its Representatives or any other Person shall have or be subject to any liability to any of

Parent, Merger Sub or any of their Affiliates or Representatives resulting from the use of or access to any information, documents, data, instruments or materials made available to them in any physical or electronic form (including in any "virtual data room") or pursuant to any management presentation, confidential memoranda, or otherwise, in expectation of this Agreement and the Merger. Notwithstanding the foregoing provisions of this Section 5.19, nothing in this Section 5.19 shall limit Parent's or Merger Sub's remedies with respect to claims against the Company for fraud or intentional or willful misrepresentation by the Company or any of its Affiliates in connection with, arising out of or otherwise related to this Agreement and the transactions contemplated by this Agreement.

5.20. Foreign Private Issuer Status. Upon completion of the Merger, assuming the accuracy of the representations and warranties made to the Company by various parties in connection with the Merger and the Series C Financing, the Parent shall be a "foreign private issuer" as defined in Rule 3b-4 promulgated under the U.S. Securities Exchange Act of 1934, as amended.

5.21. Exemption from Registration. The Company understands that it is the intention of the Parties that the Parent Shares, Parent Warrants and Non-Participating Voting Shares to be issued pursuant to the Merger be exempt from the registration requirements of the U.S. Securities Act and all applicable state securities laws pursuant to (i) Rule 506(b) of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act for the issuance of Parent Shares, Parent Warrants and Non-Participating Voting Shares to Persons in the United States, and (ii) pursuant to Regulation S under the U.S. Securities Act for the issuance of Parent Shares, Parent Warrants and Non-Participating Voting Shares to Persons outside the United States. The Company has informed each holder of Company Shares, Warrants and Management Options that the Parent Shares, Parent Warrants and Non-Participating Voting Shares have not been and will not be registered under the U.S. Securities Act and all applicable state securities laws, and that the Parent Shares, Parent Warrants and Non-Participating Voting Shares issued to Persons in the United States will be "restricted securities" as such term is defined in Rule 144(a)(3) under the U.S. Securities Act. The Company has determined that each such holder (i) alone, or with the assistance of such holder's professional advisors, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Parent Shares, Parent Warrants and Non-Participating Voting Shares, as applicable, and is able, without impairing such holder's financial condition, to hold such Parent Shares, Parent Warrants and Non-Participating Voting Shares, as applicable, for an indefinite period of time and to bear the economic risks, and withstand a complete loss, of such investment, and (ii) has had the opportunity to discuss the Company's business, management and financial affairs with the Company's management and has had access to such additional information, if any, concerning the Company and Parent as it has considered necessary in connection with its investment decision to acquire the Parent Shares, Parent Warrants and Non-Participating Voting Shares, as applicable. The Company has not offered or sold the Parent Shares, Parent Warrants and Non-Participating Voting Shares by any form of "general solicitation" or "general advertising" (as those terms are used in Regulation D under the U.S. Securities Act), including, but not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

5.22. No Bad Actor Disqualification. None of the Company, any of its predecessors, any director, executive officer, or other officer of the Company participating in the Merger, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D, except for any such event covered by Rule 506(d)(2) or (d)(3) of Regulation D.

5.23. Federal Cannabis Laws. Notwithstanding anything in this Agreement or the other documents contemplated hereby to the contrary, neither the Company nor any of its directors, officers, shareholders, employees or other agents make any representation or warranty, whether express or implied, written or oral, on behalf of the Company as to the applicability of and compliance with United States federal Law dealing with the possession, use, cultivation, and/or transfer of cannabis (i.e., marijuana) and any related drug paraphernalia (including but not limited to Title 21 of the United States Code, *the U.S. Controlled Substances Act*, and 26 U.S.C. § 280E) as it relates to the Company, its business and assets or to the transactions contemplated by this Agreement.

ARTICLE VI
Representations and Warranties of Parent and Merger Sub

6.1. Organization, Good Standing and Qualification. Parent and Merger Sub are each a legal entity duly organized, validly existing and, to the extent such concept is applicable, in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as currently conducted and is qualified to do business and, to the extent such concept is applicable, is in good standing as a foreign corporation or other legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except, solely with respect to the Company's Subsidiaries, as would not have a Parent Material Adverse Effect. Parent has made available to the Company correct and complete copies of the Company's and Merger Sub's Organizational Documents in the forms that are in full force and effect as of the date of this Agreement.

6.2. Subsidiaries. Parent has no direct or indirect Subsidiaries other than Merger Sub. Parent owns, directly or indirectly, all of the capital stock or other equity interests of Merger Sub clear of any Encumbrances, and all of the issued and outstanding shares of capital stock of Merger Sub are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

6.3. Capital Structure.

(a) The authorized capital of Parent consists of an unlimited number of Parent Shares and an unlimited number of special shares. As of the date hereof, the only issued and outstanding capital of Parent consists of 26,567,234 Parent Shares. At the Effective Time, following the Consolidation but prior to exchange of securities with the shareholders of the

Company, there shall be no more than 6,641,808 Parent Shares and no special shares issued and outstanding. All of the outstanding Parent Shares have been duly authorized and are validly issued, fully paid and nonassessable and are free and clear of any Encumbrance. Parent does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of Parent on any matter.

(b) All of the outstanding Parent Shares have been and will be issued in compliance with all Canadian securities laws, and none of such Parent Shares was or will be issued in violation of any preemptive rights or similar rights to subscribe for, purchase or otherwise acquire securities. There are no shareholders agreements, voting agreements or other similar agreements with respect to Parent Shares to which Parent is a party or, to the knowledge of Parent, between or among any of Parent's shareholders.

(c) On the date hereof there are 400,000 Parent Options outstanding, each to purchase one Parent Share for an exercise price of C$0.02. Subsequent to the Consolidation and at the Effective Time, there will be no more than 100,000 options to purchase one Parent Share, each at an exercise price of C$0.08 issued and outstanding.

(d) The authorized capital of Merger Sub consists of 1,000 Merger Sub Shares, all of which are outstanding and held by Parent. All of the outstanding Merger Sub Shares have been duly authorized and are validly issued, fully paid and nonassessable and are free and clear of any Encumbrance. Merger Sub has no additional shares of capital reserved for issuance. Merger Sub does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of Merger Sub on any matter.

6.4. Corporate Authority and Approval.

(a) Each of Parent and Merger Sub has all requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by each of Parent and Merger Sub and constitutes a valid and binding agreement of Parent and Merger Sub enforceable against Parent and Merger Sub, as the case may be, in accordance with its terms, subject to the Bankruptcy and Equity Exceptions.

(b) Parent's Board has (i) unanimously (A) determined that this Agreement and the transactions contemplated by this Agreement are fair to, and in the best interests of, Parent and its shareholders, (B) adopted this Agreement and the transactions contemplated by this Agreement and (C) approved the New Constating Documents. The foregoing resolutions have not been withdrawn or modified.

(c) Pursuant to the Circular, Parent called a special meeting of the holders of Parent Shares for September 5, 2018 to approve certain matters contemplated by this Agreement (the "**Parent Special Shareholder Meeting**"), has held the Parent Special Shareholder Meeting and received such approval.

(d) Merger Sub's Board has unanimously (i) determined that this Agreement and the transactions contemplated by this Agreement are fair to, and in the best interests of, Merger Sub and its sole shareholder, (ii) adopted this Agreement and the transactions contemplated by this Agreement, and (iii) obtained the requisite vote of approval by Parent, its sole shareholder. The foregoing resolutions have not been withdrawn or modified.

6.5. Governmental Filings; No Violations; Certain Contracts.

(a) No filings, notices, reports, consents, registrations, approvals, permits or authorizations are required to be made by Parent or Merger Sub with, nor are any required to be made or obtained by Parent or Merger Sub with or from, any Governmental Entity in connection with the execution, delivery and performance of this Agreement by Parent and Merger Sub and the consummation of the transactions contemplated by this Agreement, except as would not have a Parent Material Adverse Effect or prevent or materially impair the ability of Parent or Merger Sub to consummate the transactions contemplated by this Agreement.

(b) Parent is a "reporting issuer" in the Province of Ontario, as defined by applicable securities law, and is in good standing on the date hereof and will be in good standing at the Effective Time.

(c) The execution, delivery and performance of this Agreement by Parent and Merger Sub do not, and the consummation of the transactions contemplated by this Agreement will not, constitute or result in (A) a breach or violation of, or a default under the Organizational Documents of Parent or Merger Sub, (B) with or without notice, lapse of time or both, a breach or violation of, a termination (or right of termination) of or default under, the loss of any benefit under, the creation or acceleration of any obligations under or the creation of an Encumbrance on any of the rights or assets of Parent or Merger Sub pursuant to any Contract binding upon Parent or Merger Sub, or, assuming compliance with the matters referred to in Section 6.5(a) or under any Law or Order applicable to Parent or Merger Sub or by which Parent or Merger Sub is subject or (C) any change in the substantive rights or obligations of any party under any Contract binding upon Parent or Merger Sub, except, in the case of clause (B) or (C) above, as would not have a Parent Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

6.6. Compliance with Laws; Licenses.

(a) Compliance with Laws. The businesses of Parent and Merger Sub have not been, and are not being, conducted in violation of any applicable Law, except for such non-compliance as would not have a Parent Material Adverse Effect or prevent or materially impair the ability of Parent or Merger Sub to consummate the transactions contemplated by this Agreement. To the knowledge of Parent no investigation or review by any Governmental Entity with respect to Parent or Merger Sub is pending, nor has any Governmental Entity notified the Company in writing of an intention to conduct the same.

(b) Licenses. Neither Parent nor Merger Sub have, or are required to have, any Material Licenses, except for any non-compliance as would not have a Parent Material Adverse Effect or prevent or materially impair the ability of Parent or Merger Sub to

consummate the transactions contemplated by this Agreement. Neither Parent nor Merger Sub has received any written notice of Proceedings relating to the revocation or modification of any Material License.

6.7. Financial Statements; Liabilities. The financial statements of the Parent fairly present in all material respects the financial condition of Parent. Neither Parent nor Merger Sub has any material liabilities not expressed on the financial statements of the Parent, and to the knowledge of Parent there are no material contingent liabilities, except current liabilities incurred in the Ordinary Course of Business that have not been, either in any individual case or in the aggregate, materially adverse.

6.8. Books and Records. The books of account of Parent and Merger Sub have been kept accurately in all material respects in the Ordinary Course of Business, the transactions entered therein represent *bona fide* transactions, and the revenues, expenses, assets and liabilities of Parent and Merger Sub have been properly recorded therein in all material respects. The corporate records and minute books of Parent and Merger Sub have been maintained in accordance with all applicable Laws in all material respects, and such corporate records and minute books are correct and complete in all material respects. The Parent Financial Statements have been prepared in a manner consistent in all material respects with the books of account and other records of Parent and Merger Sub.

6.9. Litigation.

(a) As of the date hereof, there are no Proceedings pending or, to the knowledge of Parent, threatened in writing against Parent or Merger Sub which, were any such Proceeding to result in an Order adverse to Parent or Merger Sub, would have a Parent Material Adverse Effect or prevent or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

(b) Neither Parent nor Merger Sub is a party to or subject to the provisions of any Order that restricts the manner in which Parent and Merger Sub conduct their businesses in any material respect, or that would, individually or in the aggregate, reasonably be expected to prevent or materially impair the ability of Parent or Merger Sub to consummate the transactions contemplated by this Agreement.

(c) Neither Parent nor Merger Sub, nor any director or officer thereof, is or has been the subject of any Proceeding involving a claim of violation of or liability under U.S. federal or state securities laws or Canadian securities laws or, as of the date hereof, a claim of breach of fiduciary duty.

6.10. Absence of Certain Changes. Since the Applicable Date and through the date of this Agreement, (i) Parent and Merger Sub have conducted their respective businesses only in the Ordinary Course of Business; and (ii) there has not occurred any event, change, development, circumstance or fact that, individually or taken together with any other events, changes, developments, circumstances, facts or effects, have had a Parent Material Adverse Effect.

6.11. Parent Material Contracts.

(a) Except for this Agreement, as of the date of this Agreement, neither Parent nor Merger Sub is a party to or bound by any Contract:

(i) related to any settlement of any Proceeding within the past three years;

(ii) constituting a collective bargaining arrangement or with a labor union, labor organization, works council or similar organization;

(iii) evidencing financial or commodity hedging or similar trading activities, including any interest rate swaps, financial derivatives master agreements or confirmations, or futures account opening agreements or brokerage statements or similar Contract to which Parent or Merger Sub is a party;

(iv) for any Leased Real Property or the lease of personal property providing, in each case, for annual payments thereunder of $100,000 or more;

(v) involving the payment or receipt of (A) royalties, licensing fees or advances of more than $150,000 in the aggregate or (B) any other amounts of more than $250,000 in the aggregate, in each case in any of the 12-month periods ending on December 31, 2015, December 31, 2016 or December 31, 2017, calculated based upon the actual or projected revenues or income of the Company or any of the Subsidiaries or the actual or projected income or revenues related to any product of the Company or any of the Subsidiaries;

(vi) with any equity holder of Parent;

(vii) between Parent or Merger Sub, on the one hand, and any director or officer of Parent or any Person beneficially owning five percent or more of the outstanding aggregate Parent Shares, on the other hand;

(viii) relating to Indebtedness of Parent or Merger Sub of $100,000 or more;

(ix) containing any standstill or similar agreement pursuant to which Parent or Merger Sub has agreed not to acquire assets or securities of another Person or any of its affiliates;

(x) that would prevent or materially impede Parent's or Merger Sub's ability to consummate the transactions contemplated by this Agreement;

(xi) providing for indemnification by Parent or Merger Sub of any Person or pursuant to which any indemnification obligations of Parent or Merger Sub remain outstanding or otherwise survive as of the date of this Agreement;

(xii) that was not, to the knowledge of Parent, negotiated and entered into on an arm's length basis except to the extent that such contract is solely between Parent and Merger Sub;

(xiii) that grants any right of first refusal, right of first offer or similar right with respect to any material assets, rights or properties of Parent or Merger Sub;

(xiv) relating to the acquisition or disposition of any assets or business (whether by merger, sale of stock, sale of assets or otherwise) pursuant to which Parent or Merger Sub reasonably expects to be required to pay any earn-out, deferred or other contingent payments;

(xv) any Contract that prohibits the payment of dividends or distributions in respect of Parent Shares or other equity interests of Parent or Merger Sub, the pledging of Parent Shares or other equity interests of Parent or Merger Sub or the incurrence of Indebtedness by Parent or Merger Sub;

(xvi) that (A) purports to limit in any material respect either the type of business in which Parent or Merger Sub may engage or the manner or locations in which any of them may so engage in any business, (B) could require the disposition of any material assets or line of business of Parent or Merger Sub, (C) grants "most favored nation" status or (D) prohibits or limits the right of Parent or Merger Sub in any material respect to make, sell or distribute any products or services or use, transfer, license, distribute or enforce any of their respective Intellectual Property Rights;

(xvii) that contains a put, call or similar right pursuant to which Parent or Merger Sub could be required to purchase or sell, as applicable, any equity interests of any Person or assets that have a fair market value or purchase price of more than $100,000;

(xviii) providing for a joint venture, partnership, limited liability company or similar arrangement involving the sharing of profits, losses, costs or liabilities with any third party; or

(xx) any other Contract or group of related Contracts not otherwise described in the foregoing clauses that is material to Parent and Merger Sub, taken as a whole (a "**Parent Material Contract**").

(b) A correct and complete copy of each Parent Material Contract has been made available to the Company. Each Parent Material Contract is valid and binding on Parent or Merger Sub, as the case may be, and, to the knowledge of Parent, each other party thereto, and is in full force and effect, except as would not have a Parent Material Adverse Effect or prevent or materially impair the ability of Parent or Merger Sub to consummate the transactions contemplated by this Agreement. There is no breach or event of default under any Parent Material Contract by Parent or Merger Sub or, to the knowledge of Parent, any other party thereto, and no event has occurred that with the lapse of time or the giving of notice or both would constitute a default thereunder by Parent or Merger Sub, or, to the knowledge of Parent, any other party thereto, in each case, except as has not had a Parent Material Adverse Effect or

as would not prevent or materially impair the ability of Parent or Merger Sub to consummate the transactions contemplated by this Agreement.

6.12. Employee Benefits. Neither Parent nor Merger Sub maintains any benefit or compensation plan, program, policy, practice, Contract or other obligation, whether or not in writing and whether or not funded, in each case, which is sponsored or maintained by, or required to be contributed to, or with respect to which any potential liability is borne by, Parent or Merger Sub.

6.13. Environmental Matters. To the knowledge of Parent, neither Parent nor Merger Sub is in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety, and to the knowledge of Parent, no material expenditures are or will be required in order to comply with any such existing statute, law or regulation.

6.14. Tax Matters.

(a) Parent and Merger Sub (i) have prepared in good faith and duly and timely filed (taking into account any extension of time within which to file) all material Tax Returns required to be filed by either of them with the appropriate Taxing Authority and all such filed Tax Returns are correct and complete in all material respects, (ii) have paid all material Taxes that are required to be paid (whether or not shown on any Tax Returns), (iii) have withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, stockholder, creditor, independent contractor or third party (each as determined for Tax purposes), (iv) have complied with all information reporting (and related withholding) and record retention requirements and (v) have not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(b) No deficiency with respect to an amount of Taxes has been proposed, asserted or assessed against Parent or Merger Sub and there are no pending or, to the knowledge of Parent, threatened Proceedings regarding any Taxes of Parent or Merger Sub or the assets of Parent or Merger Sub.

(c) In the prior six-year period, neither Parent nor Merger Sub has been informed in writing by any jurisdiction that the jurisdiction believes that Parent or Merger Sub was required to file any material Tax Return that was not filed.

(d) Parent has made available to the Company correct and complete copies of any private letter ruling requests, closing agreements or gain recognition agreements with respect to Taxes requested or executed in the prior six-year period.

(e) There are no Encumbrances for Taxes (except Taxes not yet due and payable) on any of the assets of Parent or Merger Sub.

(f) Neither Parent nor Merger Sub is a party to or is bound by any Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement solely between Parent and Merger Sub) except for agreements entered into in the Ordinary Course of Business, the principal purpose of which is not to indemnify for Taxes.

(g) Neither Parent nor Merger Sub (i) has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was Parent) or (ii) has any liability for the Taxes of any person (other than Parent or Merger Sub) under Treasury Regulation Section 1.1502-6 (or any similar provision of Law), as a transferee or successor, by Contract or otherwise.

(h) Neither Parent nor Merger Sub has been, within the past two years or otherwise as part of a "plan (or series of related transactions)" within the meaning of Section 355(e) of the Code of which the Merger is also a part, a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock intended to qualify for tax-free treatment under Section 355 of the Code.

(i) Neither Parent nor Merger Sub has participated in a "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

(j) At no time during the past five years has Parent been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code.

(k) Neither Parent nor Merger Sub will be required to include any item of income in, or to exclude any item of deduction from, taxable income in any taxable period (or portion thereof) ending after the Closing Date as a result of any closing agreement, installment sale or open transaction on or prior to the Closing Date, any accounting method change or agreement with any Tax authority, any prepaid amount received on or prior to the Closing Date, any intercompany transaction or excess loss account described in Section 1502 of the Code (or any corresponding provision of Tax Law), or any election pursuant to Section 108(i) of the Code (or any similar provision of Law) made with respect to any taxable period ending on or prior to the Closing Date.

6.15. Real Property. Neither Parent nor Merger Sub owns or leases any real property.

6.16. Title to Tangible Property.

(a) Each of Parent and Merger Sub has good and valid title to, or a valid leasehold interest in, all the tangible properties and assets which it purports to own or lease, including all the tangible properties and assets reflected on consolidated balance sheets included in the Parent Financial Statements.

(b) All tangible properties and assets reflected therein are held free and clear of all Encumbrances, except for Encumbrances reflected on consolidated balance sheets included in the Company Financials, Encumbrances for current Taxes not yet due and other Encumbrances that do not materially impair the use of the property or assets subject thereto.

6.17. Intellectual Property. Neither Parent nor Merger Sub have any material intellectual property rights.

6.18. Insurance. Neither Parent nor Merger Sub maintains any Insurance Policies.

6.19. Brokers and Finders. Neither Parent nor any of its directors or employees (including any officers) has employed any broker, finder or investment bank or incurred any liability for any brokerage fees, commissions or finders fees in connection with the transactions contemplated by this Agreement.

6.20. No Bad Actor Disqualifications. None of the Parent, any of its predecessors, any director, executive officer, or other officer of Parent participating in the Merger, any beneficial owner of 20% or more of Parent's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with Parent in any capacity at the time of sale is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D, except for a any such event covered by Rule 506(d)(2) or (d)(3) of Regulation D.

6.21. No Other Representations or Warranties; Non-Reliance. Except for the express written representations and warranties made by Parent and Merger Sub, neither Parent nor Merger Sub or other Person makes any express or implied representation or warranty with respect to Parent or Merger Sub or any of their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects in connection with this Agreement, the Merger or any of the other transactions contemplated by this Agreement, and Parent and Merger Sub hereby expressly disclaims making any such other representations or warranties. With respect to the preceding sentence, the Company hereby expressly disclaims that any of the Company or any of its respective Affiliates or Representatives has relied on or are relying on any representations or warranties regarding Parent or Merger Sub, other than the express written representations and warranties of Parent or Merger Sub expressly set forth in this Agreement, and the Company hereby further acknowledges that none of Parent, Merger Sub, any of their respective Representatives or any other Person shall have or be subject to any liability to any of the Company or any of its Affiliates or Representatives resulting from the use of or access to any information, documents, data, instruments or materials made available to them in any physical or electronic form (including in any "virtual data room") or pursuant to any management presentation, confidential memoranda, or otherwise, in expectation of this Agreement and the Merger. Notwithstanding the foregoing provisions of this Section 6.21, nothing in this Section 6.21 shall limit the Company's remedies with respect to claims against Parent or Merger Sub for fraud or intentional or willful misrepresentation by Parent or Merger Sub in connection with, arising out of or otherwise related to this Agreement and the transactions contemplated by this Agreement.

ARTICLE VII
Covenants

7.1. Interim Operations.

(a) The Company shall, and shall cause each of its Subsidiaries to, from and after the date of this Agreement and prior to the Effective Time (unless Parent and Merger Sub shall otherwise approve in writing, with such approval not to be unreasonably withheld, conditioned or delayed), and except as otherwise expressly required by this Agreement or as required by applicable Law, conduct its business in the Ordinary Course of Business and, to the

extent consistent therewith, shall use and cause each of its Subsidiaries to use their respective reasonable best efforts to, preserve its and their business organizations intact and maintain satisfactory relations and goodwill with Governmental Entities, customers, suppliers, licensors, licensees, distributors, creditors, lessors, employees and business associates and keep available the services of its and its Subsidiaries' present employees and agents. Without limiting the generality of and in furtherance of the foregoing sentence, from the date of this Agreement until the Effective Time, except as otherwise expressly required by this Agreement, required by applicable Law, or as approved in writing by Parent, with such approval not to be unreasonably withheld, conditioned or delayed, the Company shall not and shall cause its Subsidiaries not to:

(i) adopt or propose any change in its Organizational Documents other than pursuant to the transactions contemplated by this Agreement;

(ii) issue, sell, pledge, dispose of, grant, transfer, lease, license, guarantee, Encumber, or otherwise enter into any Contract or understanding with respect to the voting of, any shares of capital stock of the Company (including, for the avoidance of doubt, Company Shares) or of any of its Subsidiaries, securities convertible or exchangeable into or exercisable for any such shares of capital stock, or any options, warrants or other rights of any kind to acquire any such shares of capital stock or such convertible or exchangeable securities, other than the issuance of shares of capital stock (A) by a Wholly Owned Subsidiary of the Company to the Company or another Wholly Owned Subsidiary of the Company, or (B) in respect of Preferred Shares, Company Options, Warrants and Management Options outstanding as of the date of this Agreement or issued after the date of this Agreement in each case in accordance with their terms, (C) as applicable, the Incentive Plan as in effect on the date of this Agreement, and (D) the Series C Financing;

(iii) enter into any Contracts or other arrangements between the Company or any of its Subsidiaries, on the one hand, and any director or officer of the Company or any Person beneficially owning five percent or more of the outstanding Company Shares (on a fully diluted basis) or shares of common stock of any of their respective Affiliates, on the other hand, except for compensatory arrangements entered into in the Ordinary Course of Business with Company Employees and transactions with its Affiliates;

(iv) create or incur any Encumbrance that is not incurred in the Ordinary Course of Business on any of the assets of the Company or any of its Subsidiaries;

(v) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for (A) dividends paid by any Wholly Owned Subsidiary to the Company or to any other Wholly Owned Subsidiary of the Company;

(vi) reclassify, split, combine, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock or securities convertible or exchangeable into or exercisable for any shares of its capital stock;

(vii) amend, modify, terminate, cancel or let lapse an Insurance Policy, unless simultaneous with such termination, cancellation or lapse, replacement self-insurance

programs are established by the Company or one or more of its Subsidiaries or replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing are in full force and effect, in each case, providing coverage equal to or greater than the coverage under the terminated, canceled or lapsed Insurance Policies for substantially similar premiums, as applicable, as in effect as of the date of this Agreement;

(viii) make any changes with respect to the legal structure of the Company and its Subsidiaries or to their accounting policies or procedures, except as required by changes in GAAP;

(ix) make, change or revoke any Tax election, change an annual Tax accounting period, adopt or change any Tax accounting method, file any amended Tax Return, enter into any closing agreement with respect to Taxes, settle any Tax claim, audit, assessment or dispute, surrender any right to claim a refund or take any action which would be reasonably expected to result in an increase in the Tax liability of the Company or its Subsidiaries, or, in respect of any taxable period (or portion thereof) ending after the Closing Date, the Tax liability of Parent, Merger Sub or their Affiliates;

(x) cancel, abandon or otherwise allow to lapse or expire any Company Intellectual Property Rights, except in the Ordinary Course of Business with respect to Intellectual Property Rights that are not material to any business of the Company or any of its Subsidiaries;

(xi) become party to, establish, adopt, amend, commence participation in or terminate any collective bargaining agreement or other agreement with a labor union, labor organization, works council or similar organization;

(xii) fail to maintain policies and procedures designed to ensure compliance with the FCPA and Other Anti-Bribery Laws;

(xiii) fail to maintain policies and procedures designed to ensure compliance with the Export and Sanctions Regulations in each jurisdiction in which the Company and its Subsidiaries operate or are otherwise subject to jurisdiction;

(xiv) take any action or fail to take any action that is reasonably expected to result in any of the conditions to the Merger set forth in Article VIII not being satisfied; or

(xv) agree, authorize or commit to do any of the foregoing.

(b) Nothing set forth in this Agreement shall give Parent, directly or indirectly, the right to control or direct the Company's or its Subsidiaries' operations prior to the Effective Time or give the Company, directly or indirectly, the right to control or direct Parent's or its Subsidiaries' operations prior to the Effective Time.

(c) Parent shall, and shall cause each of its Subsidiaries to, from and after the date of this Agreement and prior to the Effective Time (unless the Company shall otherwise approve in writing, with such approval not to be unreasonably withheld, conditioned or

delayed), and except as otherwise expressly required by this Agreement or as required by applicable Law, conduct its business in the Ordinary Course of Business and, to the extent consistent therewith, shall use and cause each of its Subsidiaries to use their respective reasonable best efforts to, preserve its and their business organizations intact and maintain satisfactory relations and goodwill with Governmental Entities, customers, suppliers, licensors, licensees, distributors, creditors, lessors, employees and business associates and keep available the services of its and its Subsidiaries' present employees and agents. Without limiting the generality of and in furtherance of the foregoing sentence, from the date of this Agreement until the Effective Time, except as otherwise expressly required by this Agreement, required by applicable Law, required by the express terms of any material contract made available to Company, as approved in writing by Company, with such approval not to be unreasonably withheld, conditioned or delayed, or set forth in the corresponding subsection of Section 7.1(c) of the Parent Disclosure Letter, Parent shall not and shall cause its Subsidiaries not to:

(i) adopt or propose any change in its Organizational Documents;

(ii) merge or consolidate Parent or any of its Subsidiaries with any other Person, except for any such transactions solely among Wholly Owned Subsidiaries of the Company, or restructure, reorganize or completely or partially liquidate or otherwise enter into any agreements or arrangements imposing material changes or restrictions on its assets, operations or businesses;

(iii) acquire assets from any other Person;

(iv) issue, sell, pledge, dispose of, grant, transfer, lease, license, guarantee, Encumber, or otherwise enter into any Contract or understanding with respect to the voting of, any shares of capital stock of Parent or of any of its Subsidiaries, securities convertible or exchangeable into or exercisable for any such shares of capital stock, or any options, warrants or other rights of any kind to acquire any such shares of capital stock or such convertible or exchangeable securities, other than the issuance of shares of capital stock by a Wholly Owned Subsidiary of Parent to Parent or another Wholly Owned Subsidiary of Parent;

(v) enter into any Contracts or other arrangements between Parent or any of its Subsidiaries, on the one hand, and any director or officer of Parent or any Person beneficially owning five percent or more of the outstanding Company Shares or shares of common stock of any of their respective Affiliates;

(vi) create or incur any Encumbrance that is not incurred in the Ordinary Course of Business on any of the assets of Parent or any of its Subsidiaries;

(vii) make any loans, advances, guarantees or capital contributions to or investments in any Person (other than to or from Parent and any of its Wholly Owned Subsidiaries);

(viii) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for (A) dividends paid by any Wholly Owned Subsidiary to Parent or to any other Wholly Owned Subsidiary of Parent;

(ix) reclassify, split, combine, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock or securities convertible or exchangeable into or exercisable for any shares of its capital stock;

(x) incur any material Indebtedness (including the issuance of any debt securities, warrants or other rights to acquire any debt security);

(xi) enter into any Contract other than Contracts entered into in the Ordinary Course of Business with payment obligations not to exceed $50,000;

(xii) cancel, modify or waive any debts or claims held by Parent or any of its Subsidiaries or waive any material rights;

(xiii) amend, modify, terminate, cancel or let lapse an Insurance Policy, unless simultaneous with such termination, cancellation or lapse, replacement self-insurance programs are established by Parent or one or more of its Subsidiaries or replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing are in full force and effect, in each case, providing coverage equal to or greater than the coverage under the terminated, canceled or lapsed Insurance Policies for substantially similar premiums, as applicable, as in effect as of the date of this Agreement;

(xiv) other than settlement of trade accounts payable in the Ordinary Course of Business, settle or compromise any Proceeding for an amount in excess of $20,000 individually or $50,000 in the aggregate during any calendar year;

(xv) make any changes with respect to the legal structure of the Company and its Subsidiaries or to their accounting policies or procedures, except as required by changes in GAAP;

(xvi) make, change or revoke any Tax election, change an annual Tax accounting period, adopt or change any Tax accounting method, file any amended Tax Return, enter into any closing agreement with respect to Taxes, settle any Tax claim, audit, assessment or dispute, surrender any right to claim a refund or take any action which would be reasonably expected to result in an increase in the Tax liability of the Company or its Subsidiaries, or, in respect of any taxable period (or portion thereof) ending after the Closing Date, the Tax liability of Parent, Merger Sub or their Affiliates;

(xvii) transfer, sell, lease, divest, cancel, allow to lapse or expire, or otherwise dispose of or transfer, or permit or suffer to exist the creation of any Encumbrance upon, any assets (tangible or intangible, including any Intellectual Property Rights and Programs), Licenses, product lines or businesses of the Company or any of its Subsidiaries, including capital stock of any of its Subsidiaries, except in connection with services provided in the Ordinary Course of Business or sales of obsolete assets;

(xviii) cancel, abandon or otherwise allow to lapse or expire any Intellectual Property Rights, except in the Ordinary Course of Business with respect to Intellectual Property Rights that are not material to any business of the Company or any of its Subsidiaries;

(xix) become party to, establish, adopt, amend, commence participation in or terminate any collective bargaining agreement or other agreement with a labor union, labor organization, works council or similar organization;

(xx) fail to maintain policies and procedures designed to ensure compliance with the FCPA and Other Anti-Bribery Laws;

(xxi) fail to maintain policies and procedures designed to ensure compliance with the Export and Sanctions Regulations in each jurisdiction in which the Company and its Subsidiaries operate or are otherwise subject to jurisdiction;

(xxii) take any action or fail to take any action that is reasonably expected to result in any of the conditions to the Merger set forth in Article VIII not being satisfied; or

(xxiii) agree, authorize or commit to do any of the foregoing.

7.2. Company Shareholders Meetings. The Company shall, as promptly as practicable after the date hereof, duly call, give notice of and convene (in accordance with applicable Law and the Company's Organizational Documents) the Company Shareholders Meeting for the purpose of submitting this Agreement to the holders of Company Shares for their consideration and to seek to obtain the Requisite Company Vote; it being hereby acknowledged and agreed that the date of the Company Shareholders Meeting shall not be less than 30 days after notice of the Company Shareholders Meeting is first published, sent or given by the Company to the holders of Company Shares. The Company shall as promptly as practicable after the date hereof, prepare a proxy statement (and all related materials) soliciting the vote of the holders of Company Shares in favor of this Agreement and the Merger (the "**Proxy Statement**") and cause the Proxy Statement to be mailed to holders of Company Shares and (ii) use its commercially reasonable efforts to solicit proxies from the holders of Company Shares to seek to obtain the Requisite Company Vote.

7.3. Regulatory and Canadian Stock Exchange Matters. Except to the extent a different standard of efforts has been expressly agreed to and set forth in any provision of this Agreement, the Company and Parent shall cooperate with each other and use (and shall cause their respective Affiliates to use) their respective reasonable best efforts to take or cause to be taken all actions necessary or advisable on its part under this Agreement and applicable Laws and rules of the Canadian Stock Exchange to consummate the transactions contemplated by this Agreement as promptly as practicable after the date of this Agreement, including preparing and filing as promptly as practicable after the date of this Agreement documentation to effect all necessary notices, reports, consents, registrations, approvals, permits, authorizations, expirations of waiting periods and other filings and to obtain as promptly as practicable after the date of this Agreement all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any Governmental Entity or the Canadian Stock Exchange in order to consummate the transactions contemplated by this Agreement.

(a) The Company shall have the right to direct all matters with any Governmental Entity and the Canadian Stock Exchange consistent with its obligations

hereunder; provided that Parent shall have the right to review in advance and, to the extent practicable, each will consult with the other on and consider in good faith the views of the other in connection with, all of the information relating to the Company or Parent, as the case may be, any of their respective Affiliates and any of their respective Representatives, that appears in any filing made with, or written materials submitted to any Governmental Entity or the Canadian Stock Exchange in connection with the transactions contemplated by this Agreement. Neither the Company nor Parent shall permit any of its or its Subsidiaries' Representatives to participate in any discussions or meetings with any Governmental Entity or the Canadian Stock Exchange in respect of any documentation to effect all necessary notices, reports, consents, registrations, approvals, permits, authorizations, expirations of waiting periods and other filings or any investigation or other inquiry relating thereto or to the transactions contemplated by this Agreement unless it consults with the other in advance and, to the extent permitted by such Governmental Entity or the Canadian Stock Exchange, gives the other the opportunity to attend and participate.

7.4. Status and Notifications.

(a) The Company and Parent each shall keep the other reasonably apprised of the status of matters relating to completion of the transactions contemplated by this Agreement (including in connection with the Proxy Statement and the Canadian Stock Exchange) and shall, as promptly as practicable, (i) notify the other of any notices or communication from or with any Governmental Entity or the Canadian Stock Exchange concerning the transactions, (ii) furnish the other with copies of written notices or other communications received by Parent or the Company, as the case may be, or any of its Affiliates from any third party, including any Governmental Entity or the Canadian Stock Exchange, with respect to such transactions and (iii) furnish the other with all information as may be necessary or advisable to effect such notices and communications. The Company and Parent shall give prompt notice to each other of any events, changes, developments, circumstances or facts that individually or in the aggregate, has had or would reasonably be expected to have (in the case of the Company) a Material Adverse Effect or prevent or materially impair the consummation by the Company or Parent of (x) the transactions contemplated by this Agreement, (y) a Company Material Adverse Effect or a Parent Material Adverse Effect, or (z) of any non-compliance or violation of any of the respective representations, warranties or covenants of the Company, Parent or Merger Sub, as applicable, set forth in this Agreement, to the extent that any such non-compliance or violation would result in a failure of any of the conditions set forth in Sections 8.2(a), 8.2(b), 8.3(b) or 8.3(c), as applicable.

7.5. Third-Party Consents. The Company and Parent shall each use its, and shall cause its Subsidiaries to use their, reasonable best efforts to take or cause to be taken all actions reasonably necessary and proper or advisable on its part under this Agreement, applicable Law and the Canadian Stock Exchange to give and obtain as promptly as practicable following the date of this Agreement all notices, acknowledgments, waivers, consents, amendments or other modification required under any Contract to which Company or any of its Subsidiaries is bound or any Contract to which Parent or Merger Sub is bound (the "**Third-Party Consents**").

7.6. Information and Access. The Company and Parent shall each provide to the other, to the extent not provided through the date hereof, all material information and

documents coming into such Party's possession. No information or documents provided by the Company or Parent or any of their Representatives following the date of this Agreement, whether pursuant to this Section 7.6 or otherwise, shall affect or be deemed to affect, modify or waive the representations and warranties of the Parties set forth in this Agreement.

7.7. Publicity. Parent and the Company shall consult with each other before issuing, and give each other the reasonable opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, including the Merger, and shall not issue any such press release or make any such public statement prior to such consultation, except as such party may reasonably conclude may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system. Nothing in this Section 7.7 shall limit the ability of any party hereto to make internal announcements to their respective employees that are consistent in all material respects with the prior public disclosures regarding the transactions contemplated by this Agreement.

7.8. Takeover Statutes. If any Takeover Statute is or may become applicable to the transactions contemplated by this Agreement, each of Parent and the Company, and the respective members of their boards of directors, shall grant such approvals and take such actions as are necessary so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement and shall use their reasonable best efforts to otherwise eliminate or minimize the effects of such statute or regulation on such transactions.

ARTICLE VIII
Conditions

8.1. Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each Party to effect the Merger is subject to the satisfaction or waiver at or prior to the Effective Time of each of the following conditions:

(a) Company Shareholder Approval. The Requisite Company Vote shall have been obtained at the Company Shareholders Meeting.

(b) Canadian Stock Exchange Approval. The Canadian Stock Exchange shall have conditionally approved the Parent Shares for listing and trading.

(c) No Legal Prohibition. No Order or Law (whether temporary, preliminary or permanent) shall be in effect which enjoins, prevents or otherwise prohibits, or makes unlawful consummation of the Merger and the other transactions contemplated by this Agreement.

(d) Series C Financing. The Series C Financing shall have been completed and the Company shall have raised a minimum of US$12,000,000 pursuant to the Series C Financing.

8.2. Conditions to Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to effect the Merger are also subject to the satisfaction or waiver by Parent at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties set forth in: (i) Section 5.1 (*Organization, Good Standing and Qualification*), Section 5.3 (*Capital Structure*), except for such inaccuracies that are not reasonably expected to result, individually or in the aggregate, in additional cost, expense or liability to Parent and Merger Sub, of more than $50,000 (it being hereby acknowledged and agreed that the foregoing $50,000 limitation is not intended to and shall not establish a materiality standard or threshold for any other provision or purpose of this Agreement) and Section 5.4 (*Corporate Authority and Approval*) shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Effective Time as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of a particular date or period of time, in which case such representation and warranty shall be so true and correct as of such particular date or period of time); (ii) Section 5.5(a) (*Governmental Filings; No Violations; Certain Contracts*), Section 5.7 (*Financial Statements; Liabilities)* and Section 5.10 (*Books and Records*) shall have been true and correct in all material respects as of the date of this Agreement and shall be true and correct in all material respects as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of a particular date or period of time, in which case such representation and warranty shall be so true and correct in all material respects as of such particular date or period of time) (without giving effect to any qualification by "materiality" or "Material Adverse Effect" and words of similar import set forth therein); and (iii) Article V (other than those sections set forth in the foregoing clauses (i) and (ii) of this Section 8.2(a)) shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of a particular date or period of time, in which case such representation and warranty shall be so true and correct as of such particular date or period of time), except, in the case of this clause (iii), for any failure of any such representation and warranty to be so true and correct (without giving effect to any qualification by "materiality" or "Material Adverse Effect" and words of similar import set forth therein) that would not have a Material Adverse Effect.

(b) Performance of Obligations of the Company. The Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Performance of Obligations of Parent. Parent shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date and the Consolidation shall have occurred.

(d) No Company Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any event, change, development, circumstance, fact or effect that has had a Company Material Adverse Effect and that remains in effect.

(e) Company Closing Certificate. Parent shall have received at the Closing a certificate signed on behalf of the Company by the Chief Executive Officer of the Company certifying that he has read Section 8.2(a), Section 8.2(b) and Section 8.2(d) and that the conditions set forth in Section 8.2(a), Section 8.2(b) and Section 8.2(d) are satisfied.

8.3. Conditions to Obligation of the Company. The obligation of the Company to effect the Merger is also subject to the satisfaction or waiver by the Company at or prior to the Effective Time of the following conditions:

(a) New Constating Documents. The Consolidation shall have been completed and Parent shall have changed its name to "Dixie Brands, Inc."

(b) Representations and Warranties. Each of the representations and warranties set forth in (i) Section 6.1 (*Organization, Good Standing and Qualification*), Section 6.3 (*Capital Structure*), Section 6.4 (*Corporate Authority and Approval*) and Section 6.10 (*Absence of Certain Changes*) shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of a particular date or period of time, in which case such representation and warranty shall be so true and correct as of such particular date or period of time); (i) Section 6.5(a) (*Governmental Filings; No Violations; Certain Contracts*), Section 6.7 (*Financial Statements; Liabilities)* and Section 5.10 (*Books and Records*) shall have been true and correct in all material respects as of the date of this Agreement and shall be true and correct in all material respects as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of a particular date or period of time, in which case such representation and warranty shall be so true and correct in all material respects as of such particular date or period of time) (without giving effect to any qualification by "materiality" or "Material Adverse Effect" and words of similar import set forth therein)and (iii) Article VI (other than those section set forth in the foregoing clause (i) of this Section8.3(b)) shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date as though made on and as of such date and time (except to the extent that any such representation and warranty expressly speaks as of a particular date or period of time, in which case such representation and warranty shall be so true and correct as of such particular date or period of time), except, in the case of this clause (ii), for any failure of any such representation and warranty to be so true and correct (without giving effect to any qualification by "materiality" or "Parent Material Adverse Effect" and words of similar import set forth therein) that would have a Parent Material Adverse Effect.

(c) Performance of Obligations of Parent and Merger Sub. Each of Parent and Merger Sub shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(d) No Parent Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any event, change, development, circumstance, fact or effect that has had a Parent Material Adverse Effect and that remains in effect.

(e) Parent and Merger Sub Closing Certificate. The Company shall have received at the Closing a certificate signed on behalf of Parent and Merger Sub by an executive officer of Parent certifying that such executive officer has read Section 8.3(b) and Section 8.3(c) and that the conditions set forth in Section 8.3 (b) and Section 8.3(c) are satisfied.

(f) Parent Board, Officers and Employees. All members of the Parent Board and all officers and employees of Parent shall have resigned effective at or before the Effective Time.

ARTICLE IX
Termination

9.1. Termination by Mutual Written Consent. This Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time prior to the Effective Time, whether before or after the Requisite Company Vote has been obtained, by mutual written consent of the Company and Parent.

9.2. Termination by Either Parent or the Company. This Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time prior to the Effective Time, by either the Company or Parent if:

(a) the Merger shall not have been consummated by 5:00 p.m. (New York time) on March 31, 2019 (the "**Outside Date**"); provided, that the right to terminate this Agreement pursuant to this Section 9.2(a) shall not be available to any party that has breached in any material respect its obligations set forth in this Agreement in any manner that shall have proximately contributed to the occurrence of the failure of a condition to the consummation of the Merger; or

(b) any Order permanently restraining, enjoining or otherwise prohibiting consummation of the Merger shall become final and non-appealable; provided that the right to terminate this Agreement pursuant to this Section 9.2(b) shall not be available to any party that has breached in any material respect its obligations set forth in this Agreement in any manner that shall have proximately contributed to the occurrence of the failure of a condition to the consummation of the Merger.

9.3. Termination by the Company. This Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned by the Company if there has been a breach of any representation, warranty, covenant or agreement made by Parent or Merger Sub set forth in this Agreement, or if any representation or warranty of Parent or Merger Sub shall have become untrue following the date of this Agreement, in either case such that the condition in Section 8.3(b) or Section 8.3(c) would not be satisfied (and such breach or failure to be true and correct is not curable prior to the Outside Date, or if curable prior to the Outside Date, has not been cured within the earlier of (i) 30 days after the giving of notice thereof by the Company to Parent and (ii) three Business Days prior to the Outside Date); provided, however, that the right to terminate this Agreement pursuant to this Section 9.3 shall not be available to the Company if it has breached in any material respect its obligations set forth in this Agreement in

any manner that shall have proximately contributed to the occurrence of the failure of a condition to the consummation of the Merger.

9.4. Termination by Parent. This Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned by the Parent Board if there has been a breach of any representation, warranty, covenant or agreement made by the Company set forth in this Agreement, or if any representation or warranty of the Company shall have become untrue following the date of this Agreement, in either case such that the conditions in Section 8.2(a) or Section 8.2(b) would not be satisfied (and such breach or failure to be true and correct is not curable prior to the Outside Date, or if curable prior to the Outside Date, has not been cured within the earlier of (i) 30 days after the giving of notice thereof by Parent to the Company and (ii) three Business Days prior to the Outside Date); provided, however, that the right to terminate this Agreement pursuant to this Section 9.4 shall not be available to Parent if it has breached in any material respect its obligations set forth this Agreement in any manner that shall have proximately contributed to the occurrence of the failure of a condition to the consummation of the Merger.

9.5. Effect of Termination and Abandonment. In the event of termination of this Agreement pursuant to this Article IX, this Agreement shall become void and of no effect with no liability to any Person on the part of any party hereto (or any of its Representatives or Affiliates); provided, however, (i) no such termination shall relieve any party hereto of any liability or damages to the other party hereto resulting from any knowing and intentional breach of this Agreement and (ii) the provisions set forth in this Section 9.5 and the second sentence of Section 10.1 shall survive the termination of this Agreement.

ARTICLE X
Miscellaneous and General

10.1. Survival. Article I, this Article X and the agreements of the Company, Parent and Merger Sub set forth in Section 5.19 (*No Other Representations or Warranties; Non-Reliance*), Section 6.20 (*No Other Representations or Warranties; Non-Reliance*), Section 10.3 (*Expenses*), and the provisions that substantively define any related defined terms not substantively defined in Article I and those other covenants and agreements set forth in this Agreement that by their terms apply, or that are to be performed in whole or in part, after the Effective Time, shall survive the Effective Time. Article I, this Article X, the agreements of the Company, Parent and Merger Sub set forth in Section 10.3 (*Expenses*), Section 9.5 (*Effect of Termination and Abandonment*) and the provisions that substantively define any related defined terms not substantively defined in Article I and the confidentiality provisions of the Letter of Intent shall survive the termination of this Agreement. All other representations, warranties, covenants and agreements in this Agreement or in any instrument or other document delivered pursuant to this Agreement, including rights arising out of any breach of such representations, warranties, covenants and agreements, shall not survive the Effective Time or the termination of this Agreement.

10.2. Notices. All notices, requests, instructions, consents, claims, demands, waivers, approvals and other communications to be given or made hereunder by one or more

Parties to another Party shall be in writing and shall be deemed to have been duly given or made: (a) upon transmission if delivered via email, (b) the next Business Day following the date of deposit with an overnight courier service servicing both the US and Canada or (c) upon actual receipt by the Party to whom such notice is required to be given. Such communications must be sent to the respective Parties at the following street addresses or email addresses (or at such other address or number previously made available as shall be specified in a notice given in accordance with this Section 10.2):

If to the Company, to:
Dixie Brands, Inc.
4990 Oakland Street
Denver CO 80239
Attention: Chuck Smith, President and Chief Executive Officer
Email: [redacted]

with copies to (which shall not constitute notice pursuant to this Section 10.2), to:

Dixie Brands, Inc.
Dixie Brands, Inc.
4990 Oakland Street
Denver CO 80239
Attention: CJ Chapman, General Counsel
Email: [redacted]

and

Brownstein Hyatt Farber Schreck, LLP
410 17th Street
20th Floor
Denver CO 80202
Attention: Jeff Knetsch
Email: [redacted]

If to Parent or Merger Sub to:

Academy Explorations Limited
557 Melita Crescent
Toronto, Ontario M6G 3Y7
Attention: Binyomin Posen
Email: [redacted]

with a copy to (which shall not constitute notice pursuant to this Section 10.2):

Garfinkle Biderman LLP
1 Adelaide Street East

Suite 801
Toronto, Ontario
Attention: Shimmy Posen
Email: [redacted]

10.3. Expenses. Whether or not the Merger is consummated, all costs, fees and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement, including all costs, fees and expenses of its Representatives, shall be paid by the Party incurring such cost, fee or expense, except as otherwise expressly provided herein.

10.4. Modification or Amendment; Waiver.

(a) Subject to the provisions of applicable Law at any time prior to the Effective Time, this Agreement may be modified or amended only by an instrument in writing that is executed by each of the Parties.

(b) The conditions to each of the respective Parties' obligations to consummate the transactions contemplated by this Agreement are for the sole benefit of such Party and may be waived by such Party in whole or in part to the extent permitted by applicable Law; provided, however, that any such waiver shall only be effective if made in writing and executed by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder or under applicable Law shall operate as a waiver of such rights and, except as otherwise expressly provided herein, no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

10.5. Governing Law and Venue; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE INTERNAL PROCEDURAL AND SUBSTANTIVE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICT OF LAWS RULES OR PRINCIPLES THEREOF (OR ANY OTHER JURISDICTION) TO THE EXTENT THAT SUCH LAWS, RULES AND PRINCIPLES WOULD DIRECT A MATTER TO ANOTHER JURISDICTION.

(b) Each of the Parties agrees that, except to the extent that a dispute concerning an agreement between the Parties other than the Merger Agreement or the Letter of Intent is subject to the governing law or exclusive jurisdiction of another jurisdiction pursuant to the terms of such agreement: (i) it shall bring any Proceeding in connection with, arising out of or otherwise relating to this Agreement or the transactions contemplated by this Agreement exclusively in the Chosen Courts; and (ii) solely in connection with such Proceedings, (A) irrevocably and unconditionally submits to the exclusive jurisdiction of the Chosen Courts, (B) irrevocably waives any objection to the laying of venue in any such Proceeding in the Chosen Courts, (C) waives any objection that the Chosen Courts are an inconvenient forum or

do not have jurisdiction over any Party, (D) agrees that mailing of process or other papers in connection with any such Proceeding in the manner provided in Section 10.2 or in such other manner as may be permitted by applicable Law shall be valid and sufficient service thereof and (E) it shall not assert as a defense any matter or claim waived by the foregoing clauses (A) through (D) of this Section 10.5(b) or that any Order issued by the Chosen Courts may not be enforced in or by the Chosen Courts.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY BE CONNECTED WITH, ARISE OUT OF OR OTHERWISE RELATE TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT IS EXPECTED TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY KNOWINGLY AND INTENTIONALLY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY PROCEEDING, DIRECTLY OR INDIRECTLY, CONNECTED WITH, ARISING OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY HEREBY ACKNOWLEDGES AND CERTIFIES THAT (i) NO REPRESENTATIVE OF THE OTHER PARTIES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTIES WOULD NOT, IN THE EVENT OF ANY PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) IT MAKES THIS WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS, ACKNOWLEDGMENTS AND CERTIFICATIONS SET FORTH IN THIS SECTION 10.5(c).

10.6. Specific Performance.

(a) Each of the Parties acknowledges and agrees that the rights of each Party to consummate the transactions contemplated by this Agreement are special, unique and of extraordinary character and that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or damage may be caused for which money damages would not be an adequate remedy. Accordingly, each Party agrees that, in addition to any other available remedies a Party may have in equity or at law, each Party shall be entitled to enforce specifically the terms and provisions of this Agreement and to obtain an injunction restraining any breach or violation or threatened breach or violation of the provisions of this Agreement, consistent with the provisions of Section 10.5(b), in the Chosen Courts without necessity of posting a bond or other form of security. In the event that any Proceeding should be brought in equity to enforce the provisions of this Agreement, no Party shall allege, and each Party hereby waives the defense, that there is an adequate remedy at law.

10.7. Third-Party Beneficiaries. Except, from and after the Effective Time, the right of each holder of Company Shares to enforce (for his, her or its benefit) directly against the Company and the Surviving Corporation the provisions of Section 4.2 and Section 4.4, as applicable, the Parties hereby agree that the provisions of this Agreement are not intended to

create or confer upon any Person, other than the Parties to this Agreement, any rights or remedies as a third party beneficiary. The Parties hereby further agree and acknowledge that their respective representations, warranties and covenants set forth in this Agreement are solely for the benefit of the other, subject to the terms and conditions of this Agreement, and this Agreement is not intended to, and does not, confer upon any Person other than the Parties and their respective successors, legal representatives and permitted assigns any rights or remedies, express or implied, hereunder, including the right to rely upon the representations and warranties set forth in this Agreement.

10.8. Non-Recourse. Other than in any Proceeding relating to claims to enforce the rights described in the first sentence of Section 10.7, or in any Proceeding for fraud or intentional or willful misrepresentation (together, "**Retained Proceedings**"), this Agreement may only be enforced against, and any Proceeding in connection with, arising out of or otherwise resulting from this Agreement, any instrument or other document delivered pursuant to this Agreement or the transactions contemplated by this Agreement may only be brought against the Persons expressly named as Parties (or any of their respective successors, legal representatives and permitted assigns) in, and who have executed and delivered, this Agreement, and then only with respect to the specific obligations set forth herein with respect to such Party. Other than in connection with Retained Proceedings, no past, present or future director, employee (including any officer), incorporator, manager, member, partner, stockholder, other equity holder or persons in a similar capacity, controlling person, Affiliate or other Representative of any Party or of any Affiliate of any Party, or any of their respective successors, legal representatives and permitted assigns, shall have any liability or other obligation for any obligation of any Party under this Agreement or for any Proceeding in connection with, arising out of or otherwise resulting from this Agreement or the transactions contemplated by this Agreement; provided, however, that nothing in this Section 10.8 shall limit any liability or other obligation of any Party for any breaches by any such Party of the terms and conditions of this Agreement.

10.9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns. No Party may assign any of its rights or interests or delegate any of its obligations under this Agreement, in whole or in part, by operation of Law or otherwise, without the prior written consent of the other Parties not seeking to assign any of its rights or interests or delegate any of its obligations, and any attempted or purported assignment or delegation in violation of this Section 10.9 shall be null and void; provided, however, that Parent may designate any of its Affiliates to be a constituent corporation in lieu of Merger Sub, in which event all references to Merger Sub in this Agreement shall be deemed references to such other Affiliate of Parent, except that all representations and warranties made in this Agreement with respect to Merger Sub as of the date of this Agreement shall be deemed representations and warranties made with respect to such other Affiliate as of the date of such designation.

10.10. Entire Agreement.

(a) This Agreement (including the Exhibits), the Company Disclosure Letter, the Parent Disclosure Letter, the Letter of Intent constitute the entire agreement among the Parties with respect to the subject matter of this Agreement and supersede all other prior and contemporaneous agreements, negotiations, understandings, representations and warranties,

whether oral or written, with respect to such subject matter, which shall remain in full force and effect to the extent provided in this Agreement.

(b) In the event of any inconsistency between the statements in the body of this Agreement, on the one hand, and any of the Exhibits, the Company Disclosure Letter, the Parent Disclosure Letter (other than an exception expressly set forth in the Company Disclosure Letter or the Parent Disclosure Letter) and the Letter of Intent, on the other hand, the statements in the body of this Agreement shall control.

10.11. Severability. The provisions of this Agreement shall be deemed severable and the illegality, invalidity or unenforceability of any provision shall not affect the legality, validity or enforceability of the other provisions of this Agreement. If any provision of this Agreement, or the application of such provision to any Person or any circumstance, is illegal, invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be legal, valid and enforceable, the intent and purpose of such legal, invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such illegality, invalidity or unenforceability, nor shall such illegality, invalidity or unenforceability affect the legality, validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

10.12. Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. This Agreement shall become effective when each Party shall have received one or more counterparts hereof signed by each of the other Parties.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the Parties as of the date first written above.

DIXIE BRANDS, INC.

By: (signed) *"Charles Smith"*
Name: Charles Smith
Title: President and Chief Executive Officer

ACADEMY EXPLORATIONS LIMITED

By: (signed) *"Binyomin Posen"*
Name:Binyomin Posen
Title: Chief Executive Officer

DIXIE BRANDS ACQUISITION, INC.

By: (signed) *"Binyomin Posen"*
Name: Binyomin Posen
Title: Director

EXHIBIT "A"

SCHEDULE TO THE ARTICLES OF AMENDMENT
OF
ACADEMY EXPLORATIONS LIMITED

The Articles of the Corporation are amended as follows:

A. The name of the corporation is changed to "**Dixie Brands Inc.**";

B. The common shares are consolidated on the basis of one resulting common share for every four currently outstanding common shares;

C. To increase the authorized capital of the Corporation by creating a new class of Non-Participating Voting Shares;

D. To re-designate the existing common shares (subsequent to consolidation pursuant to part B above) as Subordinate Voting Shares;

E. To delete the authorized Special Shares and to delete the rights, privileges, restrictions attached thereto;

F. After giving effect to the foregoing, the classes and the maximum number of shares that the Corporation is authorized to issue shall be 500,000 Non-Participating Voting Shares and an unlimited number of Subordinate Voting Shares; and

G. To provide that the Non-Participating Voting Shares and the Subordinate Voting Shares shall have attached thereto and be subject to the following rights, privileges, restrictions and conditions:

1. NON-PARTICIPATING VOTING SHARES AND SUBORDINATE VOTING SHARES

1.1 Dividends, Rights on Liquidation, Dissolution or Winding-Up

The Non-Participating Voting Shares shall be subject to and subordinate to the rights, privileges, restrictions and conditions attaching to any class ranking senior to the Non-Participating Voting Shares, and the Non-Participating Voting Shares will have no right to receive dividends or to receive the remaining property and assets of the Corporation on the liquidation, dissolution or winding-up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs. For the avoidance of doubt, holders of Subordinate Voting Shares (not holders of the Non-Participating Voting Shares) shall, subject always to the rights of the holders of shares of any class ranking senior to the Subordinate Voting Shares, be entitled to receive (i) such dividends as the board of directors of the Corporation shall determine, and (ii) in the event of the liquidation,

dissolution or winding-up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs, the remaining property and assets of the Corporation, provided, however, that in the event of a payment of a dividend in the form of shares of the Corporation, holders of Non-Participating Voting Shares shall receive a proportionate number Non-Participating Voting Shares (based on voting) and holders of Subordinate Voting Shares shall receive Subordinate Voting Shares, unless otherwise determined by the board of directors of the Corporation.

1.2 Meetings and Voting Rights

1.2.1 Each holder of Non-Participating Voting Shares and each holder of Subordinate Voting Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation, except meetings at which only holders of a particular class or series shall have the right to vote pursuant to the *Business Corporations Act* (Ontario) (the "**Act**"). At each such meeting, each Non-Participating Voting Share shall entitle the holder thereof to one hundred (100) votes and each Subordinate Voting Share shall entitle the holder thereof to one vote, voting together as a single class, except as otherwise expressly provided herein or as provided by law.

1.2.2 Neither the holders of the Non-Participating Voting Shares nor the holders of the Subordinate Voting Shares shall be entitled to vote separately as a class upon a proposal to amend the articles of the Corporation in the case of an amendment referred to in paragraph (a) or (e) of subsection 170(1) of the Act. Neither the holders of the Non-Participating Voting Shares nor the holders of the Subordinate Voting Shares shall be entitled to vote separately as a class upon a proposal to amend the articles of the Corporation in the case of an amendment referred to in paragraph (b) of subsection 170(1) of the Act unless such exchange, reclassification or cancellation: (X) affects only the holders of that class; or (Y) affects the holders of Non-Participating Voting Shares and Subordinate Voting Shares differently, on a *per* share basis, and such holders are not otherwise entitled to vote separately as a class under any applicable law or subsection 1.2.3 in respect of such exchange, reclassification or cancellation.

1.2.3 Subject to subsection 1.2.1, in connection with any Change of Control Transaction (as defined below) requiring approval of the holders of Non-Participating Voting Shares and Subordinate Voting Shares under the Act, holders of Non-Participating Voting Shares and Subordinate Voting Shares shall be treated equally and identically, on a per share basis, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of outstanding Non-Participating Voting Shares who voted in respect of that resolution and by a majority of the votes cast by the holders of outstanding Subordinate Voting Shares who voted in respect of that resolution, each voting separately as a class at a meeting of the holders of that class called and held for such purpose.

1.2.4 For purposes of subsection 1.2.3, "**Change of Control Transaction**" means

(a) The direct or indirect acquisition by an unrelated “Person” or “Group” of “Beneficial Ownership” (as such terms are defined below) of more than 50% of the

voting power of the issued and outstanding voting securities of the Corporation in a single transaction or a series of related transactions;

(b) The direct or indirect sale or transfer by the Corporation of substantially all of its assets to one or more unrelated Persons or Groups in a single transaction or a series of related transactions;

(c) The amalgamation, arrangement, consolidation or reorganization of the Corporation with or into another corporation or other entity in which the Beneficial Owners (as such term is defined below) of more than 50% of the voting power of the issued and outstanding voting securities of the Corporation immediately before such merger or consolidation do not own more than 50% of the voting power of the issued and outstanding voting securities of the surviving corporation or other entity immediately after such merger, consolidation or reorganization; or

(d) During any consecutive 12-month period, individuals who at the beginning of such period constituted the board of directors of the Corporation (together with any new directors whose election to such board or whose nomination for election by the shareholders of the Corporation was approved by a vote of a majority of the directors of the Corporation then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of the Corporation thereafter in office.

1.3 Subdivision or Consolidation

No subdivision or consolidation of the Non-Participating Voting Shares or the Subordinate Voting Shares shall be carried out unless, at the same time, the Subordinate Voting Shares or the Non-Participating Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

1.4 Voluntary Conversion

The Subordinate Voting Shares cannot be converted into any other class of shares. Each outstanding Non-Participating Voting Share may at any time, at the option of the holder, be converted into one (1) fully paid and non-assessable Subordinate Voting Share, in the following manner.

1.4.1 The conversion privilege for which provision is made in this subsection 1.4 shall be exercised by notice in writing given to the Corporation at its registered office, accompanied by a certificate or certificates representing the Non-Participating Voting Shares in respect of which the holder desires to exercise such conversion privilege. Such notice shall be signed by the holder of the Non-Participating Voting Shares in respect of which such conversion privilege is being exercised, or by the duly authorized representative thereof, and shall specify the number of Non-Participating Voting Shares which such holder desires to have converted. On any conversion of Non-Participating Voting Shares, the Subordinate Voting Shares resulting therefrom shall be registered in the name of the registered holder of the Non-Participating Voting Shares converted or, subject to payment by the registered

holder of any stock transfer or other applicable taxes and compliance with any other reasonable requirements of the Corporation in respect of such transfer, in such name or names as such registered holder may direct in writing. Upon receipt of such notice and certificate or certificates and, as applicable, compliance with such other requirements, the Corporation shall, at its expense, effective as of the date of such receipt and, as applicable, compliance, remove or cause the removal of such holder from the register of holders in respect of the Non-Participating Voting Shares for which the conversion privilege is being exercised, add the holder (or any person or persons in whose name or names such converting holder shall have directed the resulting Subordinate Voting Shares to be registered) to the register of holders in respect of the resulting Subordinate Voting Shares, cancel or cause the cancellation of the certificate or certificates representing such Non-Participating Voting Shares and issue or cause to be issued a certificate or certificates representing the Subordinate Voting Shares issued upon the conversion of such Non-Participating Voting Shares. If less than all of the Non-Participating Voting Shares represented by any certificate are to be converted, the holder shall be entitled to receive a new certificate representing the Non-Participating Voting Shares represented by the original certificate which are not converted.

1.5 Automatic Conversion

1.5.1 Upon the first date that a Non-Participating Voting Share is Transferred by a holder of Non-Participating Voting Shares, other than to a Permitted Holder or from any such Permitted Holder back to such holder of Non-Participating Voting Shares and/or any other Permitted Holder of such holder of Non-Participating Voting Shares, the holder thereof, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such Non-Participating Voting Share into one (1) fully paid and non-assessable Subordinate Voting Shares, effective immediately upon such Transfer, and the Corporation shall, at its expense, effective as of such date, remove or cause the removal of such holder from the register of holders in respect of the Non-Participating Voting Shares subject to such automatic conversion, add such holder to the register of holders in respect of the resulting Subordinate Voting Shares, cancel or cause the cancellation of the certificate or certificates representing the Non-Participating Voting Shares so deemed to have been converted for Subordinate Voting Shares, and issue or cause to be issued to such holder a certificate representing the Subordinate Voting Shares issued to the holder upon the foregoing automatic conversion of such Non-Participating Voting Shares registered in the name of such holder and, against receipt from such holder of the certificate or certificates representing the Non-Participating Voting Shares in respect of which such conversion has been deemed to have been exercised, deliver to such holder the certificate representing such Subordinate Voting Shares. If less than all of the Non-Participating Voting Shares represented by any certificate are automatically converted into Subordinate Voting Shares, the holder shall be entitled to receive a new certificate representing the Non-Participating Voting Shares represented by the original certificate which have not been conveyed against delivery of such original certificate.

1.5.2 The Corporation may, from time to time, establish such policies and procedures relating to the conversion of the Non-Participating Voting Shares to Subordinate Voting Shares and the general administration of this dual class share structure as it may deem necessary or

advisable, and may from time to time request that holders of Non-Participating Voting Shares furnish certifications, affidavits or other proof to the Corporation as it deems necessary to verify the ownership of Non-Participating Voting Shares and to confirm that a conversion to Subordinate Voting Shares has not occurred. A determination by the Secretary of the Corporation that a Transfer results in a conversion to Subordinate Voting Shares shall be conclusive and binding.

1.5.3 For purposes of this subsection 1.5:

"**Affiliate**" means, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person;

"**Members of the Immediate Family**" means with respect to any individual, each parent (whether by birth or adoption), spouse, child or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons, and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the *Income Tax Act* (Canada) as amended from time to time) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

"**Permitted Holders**" means, in respect of a holder of Non-Participating Voting Shares that is an individual, an officer, or employee of Dixie Brands (USA), Inc. or the Members of the Immediate Family of such individual or any Person controlled, directly or indirectly, by any such holder or holders, or in respect of a holder of Non-Participating Voting Shares that is not an individual, an Affiliate of that holder or holders.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company;

"**Transfer**" of a Non-Participating Voting Share shall mean any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law. A "Transfer" shall also include, without limitation, (1) a transfer of a Non-Participating Voting Share to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership) or (2) the transfer of, or entering into a binding agreement with respect to, Voting Control over a Non-Participating Voting Share by proxy or otherwise, provided, however, that the following shall not be considered a "**Transfer**": (a) the grant of a proxy to the Corporation's officers

or directors at the request of board of directors of the Corporation in connection with actions to be taken at an annual or special meeting of shareholders; or (b) the pledge of a Non-Participating Voting Share that creates a mere security interest in such share pursuant to a *bona fide* loan or indebtedness transaction so long as the holder of the Non-Participating Voting Share continues to exercise Voting Control over such pledged shares; provided, however, that a foreclosure on such Non-Participating Voting Share or other similar action by the pledgee shall constitute a "**Transfer**"; and

"**Voting Control**" with respect to a Non-Participating Voting Share means the exclusive power (whether directly or indirectly) to vote or direct the voting of such Non-Participating Voting Share by proxy, voting agreement or otherwise.

A Person is "**controlled**" by another Person or other Persons if: (1) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (2) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and "**controls**", "**controlling**" and "**under common control with**" shall be interpreted accordingly.

1.6 Single Class

Except as otherwise provided above, Non-Participating Voting Shares and Subordinate Voting Shares are equal in all respects and shall be treated as shares of a single class for all purposes under the Act.

DIXIE BRANDS INC.

BY-LAW NO. 1

ARTICLE I. ACADEMY EXPLORATIONS LIMITED

ARTICLE II. BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of Academy Explorations Limited (hereinafter called the "**Corporation**") is hereby made as follows:

ARTICLE 1
DEFINITIONS

In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

"**Act**" means the *Business Corporations Act* (Ontario) and the regulations made thereunder, as from time to time amended, and in the case of such amendment any reference in the by-laws shall be read as referring to the amended provisions thereof;

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

"**by-laws**" means this by-law and all other by-laws of the Corporation from time to time in force and effect;

"**STA**" means the *Securities Transfer Act* (Ontario) and the regulations made thereunder, as from time to time amended, and in the case of such amendment any reference in the by-laws shall be read as referring to the amended provisions thereof;

All terms used in the by-laws that are defined in the Act and are not otherwise defined in the by-laws shall have the meanings given to such terms in the Act;

Words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; and

The headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

ARTICLE 2
REGISTERED OFFICE

The Corporation shall at all times have a registered office in Ontario at the location specified in its articles. The Corporation may at any time (i) by resolution of its directors change the location of its registered office within the municipality or geographic township within Ontario specified in its articles, and (ii) by special resolution change the municipality or geographic township in which its registered office is located to another place in Ontario.

ARTICLE 3
SEAL

The directors may by resolution from time to time adopt and change a corporate seal of the Corporation.

ARTICLE 4
DIRECTORS

4.1 Number

The number of directors shall be the number fixed by the articles, or where the articles specify a variable number, the number shall not be less than the minimum and not more than the maximum number so specified, and in either case shall not be fewer than three individuals so long as the Corporation remains an "offering corporation" as defined in the Act. Where a minimum and maximum number of directors of the Corporation is provided for in its articles, the number of directors of the Corporation and the number of directors to be elected at the annual meeting of the shareholders shall be such number as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors. Subject to section 118 of the Act, at least 25% of the directors of the Corporation, or such other number of directors (if any) as may be prescribed by the Act from time to time, shall be resident Canadians. If the Corporation has less than four directors, at least one director shall be a resident Canadian. So long as the Corporation remains an "offering corporation", at least one third of the directors shall not be officers or employees of the Corporation or any of its affiliates.

4.2 Vacancies

Subject to section 124 of the Act, a quorum of directors may fill a vacancy among the directors. If there is not a quorum of directors, or if there has been a failure to elect the number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

4.3 Powers

The directors shall manage or supervise the management of the business and affairs of the Corporation and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not expressly directed or required to be done in some other manner by the Act, the articles, the by-laws, any special resolution of the shareholders of the Corporation, or by statute.

4.4 Duties

Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall:

(a) act honestly and in good faith with a view to the best interests of the Corporation; and

(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

4.5 Qualification

The following persons are disqualified from being a director of the Corporation:

(a) a person who is less than 18 years of age;

(b) a person who has been found under the *Substitute Decisions Act*, 1992 or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere;

(c) a person who is not an individual; and

(d) a person who has the status of bankrupt.

Unless the articles otherwise provide, a director of the Corporation is not required to hold shares issued by the Corporation.

4.6 Term of Office

A director's term of office (subject to any applicable provisions of the Corporation's articles and subject to the election of such director for an expressly stated term) shall be from the date such director is elected or appointed until the close of the first annual meeting of shareholders following such director's election or appointment or until a successor to such director is elected or appointed.

4.7 Election

Subject to sections 119, 120 and 124 of the Act, the shareholders of the Corporation shall, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, elect directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his or her election but, if qualified, is eligible for re-election. Notwithstanding the foregoing, if directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected.

If a meeting of shareholders fails to elect the number or the minimum number of directors required by the articles or by section 125 of the Act by reason of the disqualification, incapacity or death of any candidates, the directors elected at that meeting if they constitute a quorum, may exercise all the powers of the directors, pending the holding of a meeting of shareholders in accordance with subsection 124(3) of the Act.

4.8 Consent to Election

Subject to section 119 of the Act, the election or appointment of a director is not effective unless the person elected or appointed consents in writing before or within 10 days after the election or appointment.

4.9 Removal

Subject to sections 120 and 122 of the Act, the shareholders of the Corporation may by ordinary resolution at an annual or special meeting remove any director or directors from office before the expiration of his or her term of office and may, subject to section 124 of the Act, elect any person in his or her stead for the remainder of the director's term.

4.10 Vacation of Office

A director of the Corporation ceases to hold office when:

(a) the director dies or, subject to subsection 119(2) of the Act, resigns;

(b) the director is removed from office in accordance with section 122 of the Act; or

(c) the director becomes disqualified under subsection 118(1) of the Act.

A resignation of a director becomes effective at the time a written resignation is received by the Corporation, or at the time specified in the resignation, whichever is later.

4.11 Validity of Acts

An act done by a director or by an officer is not invalid by reason only of any defect that is thereafter discovered in his or her appointment, election or qualification.

ARTICLE 5
MEETINGS OF DIRECTORS

5.1 Place of Meeting

Unless the articles otherwise provide, meetings of directors and of any committee of directors may be held at any place within or outside Ontario except where the Corporation is a non-resident Corporation, and in any financial year of the Corporation, a majority of the meetings of the board of directors need not be held at a place within Canada. A meeting of directors may be convened by the Chairman of the Board (if any), the President (if any) or any director at any time upon proper notice to the directors or waiver thereof. A quorum of the directors may, at any time, call a meeting of the directors for the transaction of any business the general nature of which is specified in the notice calling the meeting and the Secretary (if any) or any other officer or any director shall, as soon as reasonably practicable following receipt of a direction from any of the foregoing, send a notice of the applicable meeting to the directors.

5.2 Notice

Notice of the time and place for the holding of any meeting of directors or of any committee of directors shall be sent to each director, or each director who is a member of such committee, as the case may be, not less than 48 hours before the time of the meeting; provided that a meeting of directors, or of any committee of directors, may be held at any time without notice if all the directors or members of such committee are present (except where a director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors waive notice of the meeting.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

5.3 Waiver of Notice

Notice of any meeting of directors or of any committee of directors or the time for the giving of any such notice or any irregularity in any meeting or in the notice thereof may be waived by any director in writing or by facsimile or electronic mail addressed to the Corporation or in any other manner, and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at any meeting of directors or of any committee of directors is a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

5.4 Omission of Notice

The accidental omission to give notice of any meeting of directors or of any committee of directors or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

5.5 Electronic, Telephone Participation Etc.

A director may participate in a meeting of directors or of any committee of directors by means of a telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate with each other simultaneously and instantaneously. A director's consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board or a committee thereof held while the director holds office. A director participating in such a meeting by such means is deemed for the purposes of the Act and this by-law to be present at that meeting.

5.6 Adjournment

Any meeting of directors or of any committee of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of an adjourned meeting of directors or committee of directors is not required to be given if the time

and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at the adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

5.7 Quorum and Voting

Subject to the articles, a majority of the number of directors or minimum number of directors required by the articles constitutes a quorum at any meeting of directors and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors, but in no case shall a quorum be less than two-fifths of the number of directors. If the Corporation has fewer than three directors, all of the directors must be present at any meeting of directors to constitute a quorum. Subject to subsection 124(1) of the Act, directors shall not transact business at a meeting of directors unless a quorum is present. Questions arising at any meeting of directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting in addition to his or her original vote shall not have a second or casting vote.

5.8 Resolution in Lieu of Meeting

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors. A resolution in writing dealing with all matters required by the Act or this by-law to be dealt with at a meeting of directors, and signed by all the directors entitled to vote at that meeting, satisfies all the requirements of the Act and this by-law relating to meetings of directors.

ARTICLE 6
COMMITTEES OF DIRECTORS

6.1 General

The directors may from time to time appoint from their number a managing director, or a committee of directors, and may delegate to such managing director or such committee any of the powers of the directors, except that (unless the Act otherwise permits) no managing director or committee shall have the authority to:

(a) submit to the shareholders any question or matter requiring the approval of the shareholders;

(b) fill a vacancy among the directors or in the office of auditor or appoint or remove any of the chief executive officers, however designated, the chief financial officer, however designated, the chair or the president of the Corporation;

(c) subject to section 184 of the Act, issue securities except in the manner and on the terms authorized by the directors;

(d) declare dividends;

(e) purchase, redeem or otherwise acquire shares issued by the Corporation;

(f) pay a commission referred to in section 37 of the Act;

(g) approve a management information circular referred to in Part VIII of the Act;

(h) approve a take-over bid circular, directors' circular or issuer bid circular referred to in Part XX of the *Securities Act* (Ontario);

(i) approve any financial statements referred to in clause 154(1)(b) of the Act and Part XVIII of the *Securities Act* (Ontario);

(j) approve an amalgamation under section 177 of the Act or an amendment to the articles under subsection 168(2) or (4) of the Act;

(k) adopt, amend or repeal by-laws of the Corporation; or

(l) exercise any other power which under the Act a committee of directors has no authority to exercise.

(m) Notwithstanding the foregoing and subject to the articles, the directors may, by resolution, delegate to a director, a committee of directors, or an officer the power to:

(i) borrow money upon the credit of the Corporation;

(ii) issue, reissue, sell or pledge debt obligations of the Corporation;

(iii) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

6.2 Audit Committee

Subject to subsection 158(1.1) of the Act, so long as the Corporation remains an "offering corporation", as defined in the Act, the board shall appoint from among their number an audit committee to be composed of not fewer than three directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates, to hold office until the next annual meeting of the shareholders. At any time when the Corporation is not an offering corporation, the directors may (but shall not be required to) appoint from among their number an audit committee to be composed of such number of directors as may be determined by the board from time to time in accordance with the Act.

Each member of the audit committee shall serve at the pleasure of the board and, in any event, only so long as such member shall be a director. The directors may fill vacancies in the audit committee by election from among their number.

The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any requirements imposed by the board from time to time.

The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat, and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the audit committee.

The audit committee shall review the financial statements of the Corporation referred to in section 154 of the Act, and shall report thereon to the board before such financial statements are approved under section 159 of the Act, and shall have such other powers and duties as may from time to time by resolution be assigned to it by the board.

ARTICLE 7
REMUNERATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Subject to the articles, the directors of the Corporation may fix the remuneration of the directors, officers and employees of the Corporation. Any remuneration paid to a director of the Corporation shall be in addition to the salary paid to such director in his or her capacity as an officer or employee of the Corporation. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director of the Corporation. The confirmation of any such resolution by the shareholders shall not be required. The directors, officers and employees shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

ARTICLE 8
SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and subject to the Act, any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or other applicable law or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

ARTICLE 9
CONFLICT OF INTEREST

A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or proposed transaction with the Corporation, or who is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or proposed transaction with the Corporation, shall disclose, in writing to the Corporation or by requesting to have entered in the minutes of meetings of directors, the nature and extent of his or her interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall attend any part of a meeting of directors during which the contract or transaction is discussed, and no such director shall vote on any resolution to approve such contract or transaction. If a material contract is made or a material transaction is entered into between the Corporation and one or more of its directors or officers, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which he or she has a material interest, the director or officer is not accountable to the Corporation or its shareholders for any profit or gain realized from the contract or transaction, and the contract is neither void nor voidable, by reason only of that relationship or by reason only that a director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his or her interest in accordance with the Act, and the contract or transaction was reasonable and fair to the Corporation at the time it was approved.

Even if these conditions are not met, a director or officer, acting honestly and in good faith, is not accountable to the Corporation or to its shareholders for any profit or gain realized from any such contract or transaction, by reason only of his or her holding the office of director or officer, and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was approved, is not by reason only of the director's or officer's interest therein void or voidable, where the contract or transaction is confirmed or approved by special resolution at a meeting of the shareholders duly called for that purpose, and the nature and extent of the director's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in the information circular.

ARTICLE 10
FOR THE PROTECTION OF DIRECTORS AND OFFICERS

No director or officer of the Corporation shall be liable to the Corporation for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any monies, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever that may happen in the execution of the duties of such director's or officer's respective office of trust or in relation thereto,

unless the same shall happen by or through the director's or officer's failure to exercise the powers and to discharge the duties of office honestly, in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or relieve such director or officer from liability under the Act. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact that the director or officer is a shareholder, director or officer of the Corporation or body corporate or member of the firm shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

ARTICLE 11
INDEMNITIES TO DIRECTORS AND OTHERS

(a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, or any other individual permitted by the Act to be so indemnified in the manner and to the fullest extent permitted by the Act. Without limiting the generality of the foregoing, subject to section 136 of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including costs incurred in the defence of an action or proceeding and an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

(b) The Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Article 11(a). The individual shall repay the money if the individual does not fulfill the conditions of Article 11(c).

(c) The Corporation shall not indemnify an individual under Article 11(a) unless the individual:

(i) acted honestly and in good faith with a view to the best interests of the Corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

(d) The Corporation shall, subject to the Act, with the approval of a court, indemnify an individual referred to in Article 11(a), or advance moneys under Article 11(b), in respect of an action by or on behalf of the Corporation or other entity to obtain a judgment in its favour, to which the individual is made a party because of the individual's association with the Corporation or other entity as described in Article 11(a), against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in Article 11(c).

(e) The Corporation may purchase and maintain insurance for the benefit of an individual referred to in Article 11(a) against any liability incurred by that individual to the extent permitted by the Act.

ARTICLE 12
OFFICERS

12.1 Appointment of Officers

Subject to the articles, the directors annually or as often as may be required may appoint from among themselves a Chairman of the Board (either on a full-time or part-time basis) and may appoint a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and one or more assistants to any of the officers so appointed. None of such officers except the Chairman of the Board needs to be a director of the Corporation although a director may be appointed to any office of the Corporation. Two or more offices of the Corporation may be held by the same person. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors. The directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer, employee or agent.

12.2 Removal of Officers and Vacation of Office

Subject to the articles, all officers, employees and agents shall be subject to removal by resolution of the directors at any time, with or without cause.

An officer of the Corporation ceases to hold office when such officer dies, resigns or is removed from office. A resignation of an officer becomes effective at the time a written resignation is sent to the Corporation, or at the time specified in the resignation, whichever is later.

12.3 Vacancies

If the office of Chairman of the Board, President, Vice-President, Secretary, Treasurer, or any other office created by the directors pursuant to Article 12 hereof shall be or become vacant by

reason of death, resignation, removal from office or in any other manner whatsoever, the directors may appoint an individual to fill such vacancy.

12.4 Chairman of the Board

The Chairman of the Board (if any) shall, if present, preside as chairman at all meetings of the board and at all meetings of the shareholders of the Corporation. The Chairman of the Board shall sign such contracts, documents or instruments in writing as require his or her signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors.

12.5 President

The President (if any) shall, unless otherwise determined by resolution of the board, be the chief executive officer of the Corporation and shall, subject to the direction of the board, exercise general supervision and control over the business and affairs of the Corporation. In the absence of the Chairman of the Board (if any), and if the President is also a director of the Corporation, the President shall, when present, preside as chairman at all meetings of directors and the shareholders of the Corporation. The President shall sign such contracts, documents or instruments in writing as require his or her signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office.

12.6 Vice-President

The Vice-President (if any) or, if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or shareholders. The Vice-President or, if more than one, the Vice-Presidents shall sign such contracts, documents or instruments in writing as require his, her or their signatures and shall have such other powers and shall perform such other duties as may from time to time be assigned to him, her or them by resolution of the directors.

12.7 Secretary

Unless another officer has been appointed for that purpose, the Secretary (if any) shall give or cause to be given notices for all meetings of directors, any committee of directors and shareholders when directed to do so and shall, subject to the provisions of the Act, maintain the records referred to in section 140 of the Act. The Secretary shall sign such contracts, documents or instruments in writing as require the signature of the Secretary and shall have such other powers and shall perform such other duties as may from time to time be assigned to the Secretary by resolution of the directors or as are incident to the office of the Secretary.

12.8 Treasurer

Subject to the provisions of any resolution of the directors, the Treasurer (if any) or such other officer who has been appointed for that purpose shall have the care and custody of all the funds

and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depositary or depositaries as the directors may by resolution direct; provided that the Treasurer may from time to time arrange for the temporary deposit of moneys of the Corporation in banks, trust companies or other financial institutions within or outside Canada not so directed by the board for the purpose of facilitating transfer thereof to the credit of the Corporation in a bank, trust company or other financial institution so directed. Unless another officer has been appointed for that purpose, the Treasurer shall prepare and maintain adequate accounting records. The Treasurer shall sign such contracts, documents or instruments in writing as require the signature of the Treasurer and shall have such other powers and shall perform such other duties as may from time to time be assigned to such person by resolution of the directors or as are incident to the office of the Treasurer. The Treasurer may be required to give such bond for the faithful performance of his or her duties as the directors in their sole discretion may require and no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

12.9 Assistant Secretary and Assistant Treasurer

The Assistant Secretary (if any) or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer (if any) or, if more than one, the Assistant Treasurers in order of seniority, shall assist the Secretary and Treasurer, respectively, in the performance of his or her duties and shall be vested with all the powers and shall perform all the duties of the Secretary and Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or Treasurer as the case may be. The Assistant Secretary or, if more than one, the Assistant Secretaries and the Assistant Treasurer or, if more than one, the Assistant Treasurers shall sign such contracts, documents or instruments in writing as require his, her or their signatures, respectively, and shall have such other powers and shall perform such other duties as may from time to time be assigned to him, her or them by resolution of the directors.

12.10 Managing Director

The Managing Director (if any) shall conform to all lawful orders given to him or her by the directors and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation.

12.11 Duties of Officers may be Delegated

In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

12.12 Agents and Attorneys

The Corporation shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

ARTICLE 13
SHAREHOLDERS' MEETINGS

13.1 Annual Meeting

Subject to the articles, the annual meeting of the shareholders of the Corporation shall be held at such place in or outside Ontario as the directors determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

13.2 Special Meetings

The directors of the Corporation may at any time call a special meeting of shareholders to be held at such place in or outside Ontario as the directors may determine.

13.3 Meeting on Requisition of Shareholders

The holders of not less than 5% of the issued shares of the Corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition. The requisition shall state the business to be transacted at the meeting and shall be sent to each director and to the registered office of the Corporation. Subject to subsection 105(3) of the Act, upon receipt of the requisition, the directors shall call a meeting of shareholders to transact the business stated in the requisition. If the directors do not within 21 days after receiving the requisition call a meeting, any shareholder who signed the requisition may call the meeting.

13.4 Meetings held by Electronic Means and Electronic Voting

Subject to the articles, a meeting of the shareholders of the Corporation may be held by telephonic or electronic means (as defined in the Act) and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed, for purposes of the Act and this by-law, to be present at the meeting.

13.5 Notice

A notice in writing of a meeting of shareholders, stating the day, hour and place of the meeting and if special business is to be transacted thereat, stating (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment on that business and (ii) the text of any special resolution or by-law to be submitted to the meeting, shall be sent to each shareholder entitled to vote at the meeting, who on the record date for notice is registered on the records of the Corporation or its transfer agent as a shareholder, to each director of the Corporation and to the auditor of the Corporation not less than 21 days so long as the Corporation remains an "offering corporation" (as defined in the Act), or in the case of a non-offering corporation not less than 10 days, but in either case not more than 50 days before the meeting.

13.6 Waiver of Notice

Notice of any meeting of shareholders or the time for the giving of any such notice or any irregularity in any meeting or in the notice thereof may be waived by any shareholder, the duly

appointed proxy of any shareholder, any director or the auditor of the Corporation in writing or by facsimile or other form of recorded electronic transmission addressed to the Corporation or in any other manner and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a shareholder or any other person entitled to attend at a meeting of shareholders is a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

13.7 Omission of Notice

The accidental omission to give notice of any meeting of shareholders to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any such meeting.

13.8 Record Dates

Subject to subsection 95(4) of the Act, the directors may fix in advance a date as the record date for the determination of shareholders (i) entitled to receive payment of a dividend, (ii) entitled to participate in a liquidation or distribution or (iii) for any other purpose except the right to receive notice of or to vote at a meeting of shareholders, but such record date shall not precede by more than 50 days the particular action to be taken.

Subject to subsection 95(4) of the Act, the directors may also fix in advance a date as the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders, but such record date shall not precede by more than 60 days or by less than 30 days the date on which the meeting is to be held.

If no record date is fixed, the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders shall be, at the close of business on the last business day preceding the day on which the notice is given, or if no notice is given, the day on which the meeting is held; and the record date for the determination of shareholders for any purpose other than to establish a shareholder's right to receive notice of a meeting or to vote shall be at the close of business on the day on which the directors pass the resolution relating to that purpose.

13.9 Chairman of the Meeting

In the absence of the Chairman of the Board (if any), the President (if any) and any Vice-President (who is a director), the shareholders present and entitled to vote shall elect a director of the Corporation as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the shareholders present shall elect one of their number to be chairman.

13.10 Votes

Votes at meetings of shareholders may be cast either personally or by proxy. Subject to the Act and Paragraph 13.11, every question submitted to any meeting of shareholders shall be decided on a show of hands, except when a ballot is required by the chairman of the meeting or is demanded by a shareholder or proxyholder entitled to vote at the meeting or is otherwise required by the Act.

A shareholder or proxyholder may demand a ballot either before or after any vote by a show of hands. At every meeting at which shareholders are entitled to vote, each shareholder present on his or her own behalf and every proxyholder present shall have one vote. Upon any ballot at which shareholders are entitled to vote, each shareholder present on his or her own behalf or by proxy shall (subject to the provisions, if any, of the articles) have one vote for every share registered in the name of such shareholder. In the case of an equality of votes under this Paragraph, the chairman of the meeting shall not have a second or casting vote in addition to the vote or votes to which he or she may be entitled as a shareholder or proxyholder.

At any meeting of shareholders, unless a ballot is demanded, an entry in the minutes of a meeting of shareholders, following a vote on the applicable motion by a show of hands, to the effect that the chairman of the meeting declared a motion to be carried is admissible in evidence as proof of the fact, in the absence of evidence to the contrary, without proof of the number or proportion of the votes recorded in favour of or against the motion, although the chairman may direct that a record be kept of the number or proportion of votes in favour of or against the motion for any purpose the chairman of the meeting considers appropriate.

If at any meeting a ballot is demanded on the election of a chairman for the meeting or on the question of adjournment or termination, the ballot shall be taken forthwith without adjournment. If a ballot is demanded on any other question or as to the election of directors, the ballot shall be taken in such manner and either at once or later at the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

13.11 Right to Vote

Unless the articles otherwise provide, each share of the Corporation entitles the holder thereof to one vote at a meeting of shareholders.

Where a body corporate or a trust, association or other unincorporated organization is a shareholder of the Corporation, any individual authorized by a resolution of the directors of the body corporate or the directors, trustees or other governing body of the association, trust or unincorporated organization, to represent it at meetings of shareholders of the Corporation shall be recognized as the person entitled to vote at all such meetings of shareholders in respect of the shares held by such body corporate or by such trust, association or other unincorporated organization and the chairman of the meeting may establish or adopt rules or procedures in relation to the recognition of a person to vote shares held by such body corporate or by such trust, association or other unincorporated organization.

Where a person holds shares as a personal representative, such person or his or her proxy is the person entitled to vote at all meetings of shareholders in respect of the shares so held by him or her, and the chairman of the meeting may establish or adopt rules or procedures in relation to the recognition of such person to vote the shares in respect of which such person has been appointed as a personal representative.

Where a person mortgages, pledges or hypothecates his or her shares, such person or such person's proxy is the person entitled to vote at all meetings of shareholders in respect of such shares so long

as such person remains the registered owner of such shares unless, in the instrument creating the mortgage, pledge or hypothec, the person has expressly empowered the person holding the mortgage, pledge or hypothec to vote in respect of such shares, in which case, subject to the articles, such holder or such holder's proxy is the person entitled to vote in respect of the shares and the chairman of the meeting may establish or adopt rules or procedures in relation to the recognition of the person holding the mortgage, pledge or hypothec as the person entitled to vote in respect of the applicable shares.

Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present on their own behalf or by proxy, vote, they shall vote as one on the shares jointly held by them and the chairman of the meeting may establish or adopt rules or procedures in that regard.

13.12 Proxies

Every shareholder, including a shareholder that is a body corporate or a trust, association or other unincorporated organization, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy.

An instrument appointing a proxyholder shall be in written or printed form or a format generated by telephonic or electronic means and shall be completed and executed, in writing or electronic signature, by the shareholder or by his or her duly authorized attorney and shall conform with the requirements of the Act and is valid only at the meeting in respect of which it is given or any adjournment of that meeting. So long as the Corporation remains an "offering corporation", as defined in the Act, a proxy appointing a proxyholder to attend and act at a meeting or meetings of shareholders ceases to be valid one year from its date.

The directors may, by resolution, fix a time and specify in a notice calling a meeting of shareholders the time not exceeding 48 hours, excluding Saturdays and holidays, preceding the meeting of shareholders or an adjournment of the meeting of shareholders before which time proxies to be used at that meeting must be deposited with the Corporation or its agent.

The chairman shall conduct the proceedings at the meeting and the chairman's decision in any matter or thing, including, without limitation, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders.

13.13 Adjournment

Subject to the Act or the articles, the chairman of the meeting may, with the consent of the meeting and subject to such conditions as the meeting decides, adjourn the meeting of shareholders from time to time and from place to place. If the meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days, it is not necessary to give notice of the adjourned meeting other than by announcement at the earliest meeting that is adjourned. If the meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the

meeting is adjourned by one or more adjournments for an aggregate of more than 90 days, section 111 of the Act does not apply.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

13.14 Quorum

Two persons present and holding or representing by proxy at least 10% of the shares entitled to vote at the meeting shall be a quorum. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for a meeting of shareholders, or within such reasonable time thereafter as the shareholders present may determine, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

Notwithstanding the foregoing, if the Corporation has only one shareholder, or one shareholder holding a majority of the shares entitled to vote at the meeting, that shareholder present on his or her own behalf or by proxy constitutes a meeting and a quorum for such meeting.

13.15 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

13.16 Resolution in Lieu of Meeting

A resolution in writing signed by all the shareholders or their attorney authorized in writing entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders, except where a written statement is submitted by a director under subsection 123(2) of the Act, or where representations in writing are submitted by an auditor under subsection 149(6) of the Act.

13.17 Advance Notice Requirements

As used in this Section 13.17, the following terms have the following meanings:

(a) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the written rules, regulations and forms made or promulgated under any such statute and the

published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada.

(b) "**Nominating Shareholder**" has the meaning set out in Subsection 13.17.1(c) below.

(c) "**Notice**" has the meaning set out in Subsection 13.17.3 below.

(d) "**person**" means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental or regulatory entity, and pronouns have a similarly extended meaning.

(e) "**public announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed under the Corporation's profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com, or any system that is a replacement or successor thereto.

(f) "**Representative**" of a person means the affiliates and associates of such person, all persons acting jointly or in concert with any of the foregoing, and the affiliates and associates of any such persons acting jointly or in concert.

Additional terms are defined in the body of this Section 13.17.

13.17.1 Nomination Procedures

Subject only to the Act, Applicable Securities Laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in this Section 13.17 shall be eligible for election to serve as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at a special meeting of shareholders if the election of directors is a matter specified in the notice of meeting:

(a) by or at the direction of the Board, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of a shareholders meeting by one or more of the shareholders made in accordance with the provisions of the Act; or

(c) by any person (a "**Nominating Shareholder**") who:

(i) at the close of business on the date of the giving of the notice provided for below in this Section 13.17 and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who

beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation.

13.17.2 Nominations for Election

For the avoidance of doubt, the procedures set forth in this Section 13.17 shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of the Corporation, apart from compliance by the Nominating Shareholder and any individual nominated by the Nominating Shareholder with all of the applicable requirements of the Act, Applicable Securities Laws and applicable rules of the Toronto Stock Exchange regarding the matters set forth herein.

13.17.3 Timely Notice

For a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Corporation and made public announcement in accordance with this Section 13.17 ("**Notice**").

13.17.4 Manner of Timely Notice

To be timely, a Nominating Shareholder must provide Notice:

(a) in the case of an annual meeting of shareholders (including an annual and special meeting), not less than forty (40) days prior to the date of the meeting, provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder shall be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not also called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the meeting was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a notice as described above.

13.17.5 Proper Form of Notice

To be in proper form, a Nominating Shareholder's Notice must be in writing and must set forth or be accompanied by, as applicable:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each a "**Proposed Nominee**"):

(i) the name, age, province or state, and country of residence of the Proposed Nominee;

(ii) the principal occupation, business or employment of the Proposed Nominee, both present and for the five years preceding the notice;

(iii) whether the Proposed Nominee is a resident Canadian within the meaning of the Act;

(iv) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee and any of his/her Representatives, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(v) the full particulars of any relationship, agreement, arrangement or understanding (including financial, compensatory or indemnity related or otherwise) between the Nominating Shareholder and the Proposed Nominee, or any Representatives thereof, in connection with the Proposed Nominee's nomination and election as director;

(vi) whether the Proposed Nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or its Affiliates or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Proposed Nominee; and

(vii) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with the solicitation of proxies for the election of directors pursuant to the Act or any Applicable Securities Laws;

(b) as to each Nominating Shareholder:

(i) the name, business and, if applicable, residential address of such Nominating Shareholder;

(ii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such Nominating Shareholder or any Representatives thereof (and for each such person, any options or rights to acquire securities of the Corporation and any derivatives or other securities, instruments or arrangements for which the price or value or delivery, payment or settlement obligations are derived from, referenced to, or based on any securities of the Company, and any hedging transactions, short positions and borrowing or lending arrangements relating to such securities), as of the record date for the meeting (if such date shall then have

been made publicly available and shall have occurred) and as of the date of such notice;

(iii) if the Nominating Shareholder is not the beneficial owner of the securities referred to in Subsection 13.17.5(b)(ii) above, the identity of the beneficial owner and the number of securities of the Corporation beneficially owned by the beneficial owner;

(iv) the interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which may be to alter, directly or indirectly, such Nominating Shareholder's economic interest in a security of the Corporation or such Nominating Shareholder's economic exposure to the Corporation;

(v) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder, or any of its Representatives, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the Board;

(vi) whether (i) in the opinion of the Nominating Shareholder and the Nominee, the Nominee would qualify as an independent director of the Corporation under section 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators ("**NI 52-110**") and (ii) with respect to the Corporation, the Nominee has one or more of the relationships described in sections 1.4(3), 1.4(8) or 1.5 of NI 52-110; and

(vii) any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws.

Reference to Nominating Shareholder in this Subsection 13.17.5 shall be deemed to refer to each shareholder that nominates or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with this Subsection 13.17.5.

13.17.6 Notice to be Updated

To be considered timely and in proper form, a Nominating Shareholder's Notice shall be promptly updated and supplemented if necessary, so that the information provided or required to be provided in such Notice shall be true and correct as of the record date for the meeting.

13.17.7 Power of the Chair

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Section 13.17 and, if any proposed

nomination is not in compliance with this Section 13.17, to declare that such defective nomination shall be disregarded. A duly appointed proxy holder of a Nominating Shareholder shall be entitled to nominate at a meeting of shareholders the directors nominated by the Nominating Shareholder, provided that all of the requirements of this Section 13.17 have been satisfied.

13.17.8 Delivery of Notice

Notwithstanding any other provision in a by-law of the Corporation, Notice given to the corporate secretary of the Corporation pursuant to this Section 13.17 may only be given by personal delivery and shall be deemed to have been given and made only at the time it is served by personal delivery to the corporate secretary of the Corporation, at the address of the principal executive offices of the Corporation, provided that if such delivery is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery shall be deemed to have been made on the subsequent day that is a business day.

13.17.9 Board of Directors Discretion

Notwithstanding the foregoing, the board of directors may, in its sole discretion, waive any requirement in this Section 13.17.

ARTICLE 14
SHARES AND TRANSFERS

14.1 Issuance

Subject to the articles and to section 26 of the Act, shares in the Corporation may be issued at the times and to the persons and for the consideration that the directors determine; provided that a share shall not be issued until the consideration for the share is fully paid in money or in property or past service that is not less in value than the fair equivalent of the money that the Corporation would have received if the share had been issued for money.

14.2 Security Certificates

Security certificates (if any) shall (subject to compliance with section 56 of the Act) be in such form as the directors may from time to time by resolution approve and such certificates shall be signed manually, or the signature shall be printed or otherwise mechanically reproduced on the certificate, by at least one director or officer of the Corporation or by a registrar, transfer agent or branch transfer agent of the Corporation or an individual on their behalf, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon. If a security certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the security certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the security certificate is as valid as if he or she were a director or an officer at the date of its issue.

14.3 Agent

For each class of securities and warrants issued by the Corporation, the directors may from time to time by resolution appoint or remove, a trustee, transfer agent or other agent to keep the securities register and the register of transfer and one or more persons or agents to keep branch registers; and a registrar, trustee or agent to maintain a record of issued certificates and warrants, and, subject to section 48 of the Act, one person may be appointed for the purposes of both clauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof.

14.4 Dealings with Registered Holder

Subject to the Act, the STA and this by-law, the Corporation may treat the registered holder of a security as the person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of a holder of the security.

14.5 Defaced, Destroyed, Stolen or Lost Security Certificates

In the event of the defacement, destruction, theft or loss of a security certificate, the fact of such defacement, destruction, theft or loss shall be reported by the owner to the Corporation or to an agent of the Corporation (if any), on behalf of the Corporation, with a statement verified by oath or statutory declaration as to the defacement, destruction, theft or loss and the circumstances concerning the same and with a request for the issuance of a new security certificate to replace the one so defaced (together with the surrender of the defaced security certificate), destroyed, stolen or lost. Upon the giving to the Corporation (or if there be an agent, hereinafter in this paragraph referred to as the "Corporation's agent", then to the Corporation and the Corporation's agent) of an indemnity bond (or other security approved by the directors) in such form as is approved by the directors or by any officer of the Corporation, indemnifying the Corporation (and the Corporation's agent if any) against all loss, damage or expense, which the Corporation and/or the Corporation's agent may suffer or be liable for by reason of the issuance of a new security certificate to such owner, and subject to the STA, a new security certificate shall be issued in replacement of the one defaced, destroyed, stolen or lost, and such issuance may be ordered and authorized by any officer of the Corporation or by the directors.

14.6 Enforcement of Lien for Indebtedness

Subject to subsection 40(2) of the Act and section 66 of the STA, if the articles of the Corporation provide that the Corporation has a lien on the shares registered in the name of a shareholder or the shareholder's legal representative for a debt of that shareholder to the Corporation, such lien may be enforced by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares. No sale shall be made until such time as the debt ought to be paid and until a demand and notice in writing stating the amount due and demanding payment and giving notice of intention to sell on default shall have been served on the holder or such shareholder's legal representative of the shares subject to the lien and default shall have been made in payment of such debt for seven days after service of such notice. Upon any such sale, the proceeds shall be applied, firstly, in payment of all costs

of such sale, and, secondly, in satisfaction of such debt and the residue (if any) shall be paid to the shareholder or as such shareholder shall direct. Upon any such sale, the directors may enter or cause to be entered the purchaser's name in the securities register of the Corporation as holder of the shares, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by, any irregularity or invalidity in the proceedings, or be bound to see to the application of the purchase money, and after the purchaser's name or the name of the purchaser's legal representative has been entered in the securities register, the validity of the sale shall not be impeached by any person.

14.7 Electronic, Book-Based or Other Non-Certificated Registered Positions

For greater certainty, but subject to section 54 of the Act and the STA, a registered securityholder may have his or her holdings of securities of the Corporation evidenced by an electronic, book-based, direct registration service or other non-certificated entry or position on the register of securityholders to be kept by the Corporation in place of a physical security certificate pursuant to a registration system that may be adopted by the Corporation, in conjunction with its transfer agent (if any). This by-law shall be read such that a registered holder of securities of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of securities evidenced by a physical security certificate. The Corporation and its transfer agent (if any) may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a security registration system by electronic, book-based, direct registration system or other non-certificated means.

ARTICLE 15
DIVIDENDS

15.1 Dividends

Subject to the articles, the directors may from time to time by resolution declare and the Corporation may pay dividends on its issued shares.

The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

(a) the Corporation is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation and, subject to section 38 of the Act, the Corporation may pay a dividend in money or property.

15.2 Joint Shareholders

In case several persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments in respect of such securities.

15.3 Dividend Payments

A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the recorded address of such registered holder, or, paid by electronic funds transfer to the bank account designated by the registered holder, unless such holder otherwise directs. In the case of joint holders, the cheque or payment shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and, if more than one address is recorded in the Corporation's security register in respect of such joint holding, the cheque shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, or the electronic funds transfer as aforesaid, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. In the event of non-receipt of any dividend cheque or payment by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque or payment for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as any officer or the directors may from time to time prescribe, whether generally or in any particular case.

ARTICLE 16
VOTING SECURITIES IN OTHER BODIES CORPORATE

All securities of or other interests in (i) any other body corporate or (ii) any trust, association or other unincorporated organization carrying voting rights and held from time to time by the Corporation may be voted at all meetings of shareholders, unitholders, bondholders, debenture holders or holders of such securities or other interests, as the case may be, of such other (i) body corporate or (ii) trust, association or other unincorporated organization, and in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. Any officer of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and arrange for the issuance of voting certificates or other evidence of the right to vote in such names as such officer may determine, without the necessity of a resolution or other action by the directors.

ARTICLE 17
NOTICES, ETC.

17.1 Service

Any notice or document required by the Act, the articles, the by-laws or otherwise to be sent to any shareholder or director of the Corporation may be delivered personally to, or sent by pre-paid mail addressed to:

(a) the shareholder at the shareholder's latest address as shown in the records of the Corporation or its transfer agent; and

(b) the director at the director's latest address as shown in the records of the Corporation or in the most recent notice filed under the *Corporations Information Act*, whichever is the more current.

A notice or document sent by mail to a shareholder or director of the Corporation is deemed to be received by the addressee on the fifth day after mailing.

Notwithstanding the foregoing, a notice or document required or permitted to be sent under sections 262 and 263 of the Act may be sent by electronic means in accordance with the *Electronic Commerce Act*, 2000.

17.2 Failure to Locate Shareholder

If the Corporation sends a notice or document to a shareholder and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until the shareholder informs the Corporation in writing of the shareholder's new address.

17.3 Shares Registered in More than one Name

All notices or documents shall, with respect to any shares in the capital of the Corporation registered in more than one name, be sent to whichever of such persons is named first in the records of the Corporation and any notice or document so sent shall be sufficient notice of delivery of such document to all the holders of such shares.

17.4 Persons Becoming Entitled by Operation of Law

Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or document in respect of such shares which prior to his or her name and address being entered on the records of the Corporation in respect of such shares shall have been duly sent to the person or persons from whom such person derives his or her title to such shares.

17.5 Signatures upon Notices

The signature of any director or officer of the Corporation upon any notice need not be a manual signature.

17.6 Computation of Time

Where a given number of days' notice or notice extending over any period is required to be given under any provisions of the articles or by-laws of the Corporation, the day the notice is sent shall, unless it is otherwise provided by applicable law, be counted in such number of days or other period.

17.7 Proof of Service

A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to facts in relation to the mailing or delivery or sending of any notice or document to any shareholder, director, officer or auditor of the Corporation or any other person or publication of any notice or document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation or other person, as the case may be.

ARTICLE 18
CUSTODY OF SECURITIES

All securities (including warrants) owned by the Corporation may be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or with such other depositaries or in such other manner as may be determined from time to time by any officer or director.

All securities (including warrants) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

ARTICLE 19
EXECUTION OF CONTRACTS, ETC.

Contracts, documents or instruments requiring the signature of the Corporation may be signed by any director or officer alone or any person or persons authorized by resolution of the directors and all contracts, documents or instruments so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments generally or to sign specific contracts, documents or instruments.

The corporate seal (if any) of the Corporation may be affixed by any director or officer to contracts, documents or instruments signed by such director or officer as aforesaid or by an officer or officers, person or persons appointed as aforesaid by resolution of the directors.

The term "contracts, documents or instruments" as used in this by-law shall include notices, deeds, mortgages, hypothecs, charges, cheques, drafts, orders for the payment of money, notes, acceptances, bills of exchange, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

The signature or signatures of any director or officer or any other person or persons appointed as aforesaid by resolution of the directors may be printed, engraved, lithographed or otherwise mechanically or electronically reproduced upon all contracts, documents or instruments executed

or issued by or on behalf of the Corporation and all contracts, documents or instruments on which the signature or signatures of any of the foregoing persons shall be so reproduced, shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments.

ARTICLE 20
FISCAL PERIOD

The fiscal period of the Corporation shall terminate on such day in each year as the board may from time to time by resolution determine.

MADE the ____ day of _____, 20____.

Per: _____
Name:
Title:

EXHIBIT "B"

THIRD AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF DIXIE BRANDS (USA), INC.

The undersigned, a natural person (the "Authorized Officer"), an authorized representative of Dixie Brands, Inc., a Delaware corporation originally incorporated on May 5, 2014, do hereby execute this Third Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and certify as follows:

ARTICLE I. NAME

The name of the corporation is Dixie Brands (USA), Inc. (the "Corporation"). The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 5, 2014 under the name Dixie Brands, Inc. This Third Amended and Restated Certificate of Incorporation restates and further amends the original Certificate of Incorporation, as previously amended and restated.

ARTICLE II. PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

ARTICLE III. REGISTERED OFFICE, AGENT

The address of the registered office of the Company in the State of Delaware is 251 Little Falls Drive, New Castle County, Wilmington, DE 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE IV. AUTHORIZED SHARE CAPITAL

The Corporation is authorized to issue only one class of stock, to be designated Common Stock. The total number of shares of Common Stock presently authorized is one 100, each having a par value of $0.001.

ARTICLE V.
BOARD OF DIRECTORS

The number of directors that shall constitute the whole board of directors of the Corporation (the "Board of Directors") shall be fixed by, or in the manner provided in, the Bylaws of the Corporation.

ARTICLE VI.
BYLAWS

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend or rescind the Bylaws of the Corporation.

ARTICLE VII.
ELECTION

Election of directors at an annual or special meeting of stockholders need not be by written ballot unless the Bylaws of the Corporation shall so provide.

ARTICLE VIII.
AMENDMENT

The Corporation reserves the right to amend or repeal any provisions contained in this Certificate of Incorporation from time to time and at any time in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred upon stockholders and directors are granted subject to such reservation.

ARTICLE IX.
LIABILITY

No director shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; *provided* that this Article IX shall not eliminate or limit the liability of a director (i) for any breach of such director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which such director derived any improper personal benefit. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended. No amendment to or repeal of this Article IX shall adversely affect any right or protection of any director of the Corporation existing at the time of such amendment or repeal for or with respect to acts or omissions of such director prior to such amendment or repeal.

ARTICLE X.
INDEMNIFICATION

The Corporation shall provide indemnification and advancement of expenses in accordance with the Bylaws of the Corporation.

ARTICLE XI.
SECTION 203

The Corporation expressly elects not to be governed by Section 203 of the DGCL.

IN WITNESS WHEREOF, this Certificate of Incorporation has been subscribed this ____ day of _____2018, by the undersigned who affirms that the statements made herein are true and correct.

/s/ Charles Smith
CHARLES SMITH
Authorized Officer

EXHIBIT "C"

BYLAWS

OF

DIXIE BRANDS (USA), INC.

(A DELAWARE CORPORATION)

BYLAWS

OF

DIXIE BRANDS (USA), INC.
(A DELAWARE CORPORATION)

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of Dixie Brands (USA), Inc. (the "Corporation") in the State of Delaware shall be in the City of Wilmington, County of Newcastle.

Section 2. Other Offices. The Corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors of the Corporation (the "Board of Directors"), and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware," which seal shall be in the charge of the Secretary. Duplicates of the seal may be kept and used by the Secretary, the Treasurer, an Assistant Secretary or an Assistant Treasurer. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the Corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the General Corporation Law of the State of Delaware ("DGCL").

Section 5. Annual Meeting. An annual meeting of the stockholders shall be held on such date and at such time as may be designated from time to time by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may be properly brought before the meeting. Failure to hold an annual meeting shall not invalidate any action taken by the Board of Directors or officers of the Corporation.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board of Directors, or (ii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix.

(b) If a special meeting is properly called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by certified or registered mail, return receipt requested, or by electronic or other facsimile transmission to the Chairman of the Board of Directors or the Secretary of the Corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The Board of Directors shall determine the time and place of such special meeting, which shall be held not less than 35 nor more than 120 days after the date of the receipt of the request. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. Nothing contained in this paragraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

Section 7. Notice of Meetings. Except as otherwise provided by law or the Corporation's Certificate of Incorporation as the same may be amended and/or restated from time to time (the "Certificate of Incorporation"), notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour and purpose or purposes of the meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is

present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute, the Certificate of Incorporation, any stockholders agreement or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation, any stockholders agreement or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by statute, the Certificate of Incorporation, any stockholders agreement or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute, the Certificate of Incorporation, any stockholders agreement or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the Corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one votes, his act binds all; (b) if

more than one votes, the act of the majority so voting binds all; (c) if more than one votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. The list shall be produced and kept at the time and place of meeting during the whole time thereof and may be inspected by any stockholder who is present.

Section 13. Action Without Meeting.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action that may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, or by electronic transmission setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered to the Corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the Corporation as provided in Section 228(c) of the DGCL. If the action that is

consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

(d) Electronic mail, facsimile, or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such electronic mail, facsimile, or other electronic transmission sets forth or is delivered with information from which the Corporation can determine (i) that the electronic mail, facsimile, or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such electronic mail, facsimile, or electronic transmission. The date on which such electronic mail, facsimile, or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by electronic mail, facsimile, or other electronic transmission shall be deemed to have been delivered until such consent is acknowledged by an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by email or other electronic transmission may be otherwise delivered to the principal place of business of the Corporation or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors of the Corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the

time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters that are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number and Term of Office. The authorized number of directors of the Corporation shall be fixed by the Board of Directors from time to time.

Section 16. Powers. The powers of the Corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Term of Directors. Subject to any stockholders agreement and any rights of the holders of any series of preferred stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of stockholders for a term of one year. Each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 18. Vacancies. Unless otherwise provided in the Certificate of Incorporation or any stockholders agreement, and subject to the rights of the holders of any series of preferred stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Section 18 of these Bylaws in the case of the death, removal or resignation of any director.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. Subject to any limitations in the Certificate of Incorporation or any stockholders agreement, when one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to

take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his successor shall have been duly elected and qualified.

Section 20. Removal. Subject to any limitations imposed by applicable law, the Certificate of Incorporation, or any stockholders agreement, the Board of Directors or any director may be removed from office at any time, with or without cause, by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the Corporation entitled to vote generally at an election of directors.

Section 21. Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware that has been designated by the Board of Directors and publicized among all directors, either orally or in writing, including a voice-messaging system or other system designated to record and communicate messages, facsimile, or by electronic mail or other electronic means. No further notice shall be required for a regular meeting of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board of Directors, the President or any director.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, shall be permitted to participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, or by electronic mail or other electronic means, during normal business hours, at least 24 hours before the date and time of the meeting. Notice of any meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic

transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 22. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the entire Board of Directors (including vacant directorships); *provided, however*, that at any meeting, whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation, or these Bylaws.

Section 23. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 24. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation, if any, to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any bylaw of the Corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by

the Board of Directors shall consist of one or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place that has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or if the President is absent, the most senior Vice President (if a director) or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in the Secretary's absence, any Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 27. Officers Designated. The officers of the Corporation shall include, if and when designated by the Board of Directors, the Chairman of the Board of Directors, the President, one or more Vice Presidents, the Secretary, and the Treasurer, all of whom shall be elected at the organizational meeting of the Board of Directors. The Board of Directors may also appoint one or more Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the Corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 28. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(c) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the Corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in

these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) Duties of Treasurer. The Treasurer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors or the President. The Treasurer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Treasurer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Treasurer in the absence or disability of the Treasurer, and each Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

Section 29. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 30. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission notice to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract with the resigning officer.

Section 31. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 32. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the Corporation any corporate instrument or document, or to

sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the Corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 33. Voting of Securities Owned by the Corporation. All stock and other securities of other entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 34. Form and Execution of Certificates. Certificates for the shares of stock of the Corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the Corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. Each certificate shall state upon the face or back thereof, in full or in summary, all of the powers, designations, preferences, and rights, and the limitations or restrictions of the shares authorized to be issued or shall, except as otherwise required by law, set forth on the face or back a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section or otherwise required by law or with respect to this section a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 35. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The Corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the Corporation in such manner as it shall require or to give the Corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 36. Transfers.

(a) Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL and to regulate such other matters as may be set forth therein.

Section 37. Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days of the date on which such a request is

received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 38. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 39. Execution of Other Securities. All bonds, debentures and other corporate securities of the Corporation, other than stock certificates, may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal, if any, may be impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer; *provided, however,* that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal, if any, on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the Corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon

the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

ARTICLE IX

DIVIDENDS

Section 40. Declaration of Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 41. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 42. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 43. Right to Indemnification.

(a) Mandatory Indemnification**.** The Corporation shall, to the fullest extent authorized by applicable law, indemnify and hold harmless each person (together with his or her heirs, executors and administrators, an "Indemnitee") who was or is made a party or is threatened to be made a party to or is or was otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Corporation to procure a judgment in its favor) (each, a "Proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while serving as a director or an officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, manager, employee or agent of another

Corporation, limited liability company, partnership, joint venture, trust or other enterprise, including a nonprofit enterprise and service with respect to an employee benefit plan (each, "Another Enterprise"); *provided, however,* that the Corporation shall indemnify an Indemnitee in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if such Proceeding (or part thereof) was authorized in the specific case by the Board of Directors.

(b) Indemnification If Successful on the Merits**.** Without limiting the generality of any other provision herein, to the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any threatened, pending, or completed action, suit or Proceeding referred to in Section 145(a) or (b) of the DGCL, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

(c) Determination of Entitlement to Indemnification**.** Any indemnification required or permitted under Section 43(a) of these Bylaws (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 145(a) and (b) of the DGCL. Such determination shall be made, with respect to a person who is a director or officer of the Corporation at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or Proceeding, even though less than a quorum, (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to any person who is not a director or officer of the Corporation at the time of such determination, in the manner determined by the Board of Directors or in the manner set forth in any agreement to which such person and the Corporation are parties.

Section 44. Right to Advancement of Expenses. The Corporation shall pay all expenses (including attorneys' fees) incurred by a current or former officer or director of the Corporation (or such person's heirs, executors and administrators) in defending any Proceeding in advance of its final disposition (an "Advancement of Expenses") upon receipt of a written undertaking (an "Undertaking"), by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined, by final judicial decision from which there is no further right to appeal (a "Final Adjudication"), that such person is not entitled to be indemnified for such expenses under this ARTICLE XI, the DGCL or otherwise; *provided, however,* that the Corporation shall pay such expenses in connection with a Proceeding (or part thereof) initiated by such officer or director (or such person's heirs, executors and administrators) only if such Proceeding (or part thereof) was authorized in the specific case by the Board of Directors; *provided, further,* that if such officer or director is seeking an Advancement of Expenses in connection with service at the request of the Corporation as a director, officer, manager, employee or agent of Another Enterprise, then such officer or director shall not be required to submit an Undertaking and the Corporation shall make the Advancement of Expenses upon such terms and conditions, if any, as it deems appropriate.

Section 45. Right of Indemnitee to Bring Suit.

(a) If (i) a claim under Section 43 of these Bylaws is not paid in full by the Corporation within 60 days or (ii) a claim under Section 44 of these Bylaws with respect to Advancement of Expenses is not paid in full by the Corporation within 20 days, in each case after a written demand therefor has been received by the Corporation, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Indemnitee, to the fullest extent authorized by applicable law, shall be entitled to be paid the expense of prosecuting or defending such suit.

(b) In any suit brought by an Indemnitee to enforce a right to indemnification under Section 43 of these Bylaws (but not in a suit brought by an Indemnitee to enforce a right to the Advancement of Expenses) it shall be a defense that the Indemnitee has not met any applicable standard for indemnification set forth in the DGCL. In any suit brought by the Corporation to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Corporation shall be entitled to recover such expenses upon a Final Adjudication. Neither the failure of the Corporation (including the Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including the Board of Directors, independent legal counsel or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an Advancement of Expenses under this ARTICLE XI or otherwise, or brought by the Corporation to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the burden shall be on the Corporation to prove that the Indemnitee is not entitled to be indemnified or to such Advancement of Expenses under this ARTICLE XI, the DGCL or otherwise.

Section 46. Non-Exclusivity; Contract Rights; Amendment. The rights to indemnification and to the Advancement of Expenses under this ARTICLE XI shall (a) be contract rights and (b) not be exclusive of any other right that any Indemnitee may have or hereafter acquire by statute, the Certificate of Incorporation, these Bylaws, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in such Indemnitee's official capacity, and as to action in another capacity while holding such office. Any amendment, alteration or repeal of this ARTICLE XI (or successor provision) that adversely affects any rights of an Indemnitee shall be prospective only and shall not limit or eliminate any such rights with respect to any Proceeding involving any action, omission, occurrence or event arising or that took place prior to such amendment, alteration or repeal.

Section 47. Insurance; Other Sources. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any person that is or was serving as a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, manager, employee or agent of Another Enterprise, against any

expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL, this ARTICLE XI or otherwise. The Corporation's obligation, if any, to indemnify or to make an Advancement of Expenses to any Indemnitee who is or was a director or an officer of the Corporation or, while serving as a director or an officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, manager, employee or agent of Another Enterprise, shall be reduced by any amount the Indemnitee may collect as indemnification or advancement of expenses from such other enterprise.

Section 48. Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this ARTICLE XI with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 49. Board Decisions. Any decision, authorization or determination to be made by the Board of Directors under this ARTICLE XI shall be made by the directors who are not a party to the applicable Proceeding, even if less than a quorum.

Section 50. Primacy of Indemnification. To the extent that an Indemnitee who is entitled to indemnification and/or advancement of expenses hereunder also has rights to indemnification, advancement of expenses and/or insurance provided by Encore Consumer Capital, LP or the affiliates thereof (collectively, the "Fund Indemnitors"), the Corporation hereby agrees and acknowledges (a) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), and (b) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Corporation further agrees and acknowledges that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Corporation shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Corporation.

ARTICLE XII

NOTICES

Section 51. Notices.

(a) Notice to Stockholders. Whenever, under any provisions of these Bylaws, notice is required to be given to any stockholder, it shall be given in writing, timely and duly deposited in the United States mail, postage prepaid, and addressed to such stockholder's last known post office address as shown by the stock record of the Corporation or its transfer agent.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or as provided for in Section 21 of these Bylaws; provided that, notwithstanding the foregoing, notices of special meetings of the Board of Directors shall be given in accordance with Section 21(d) of these Bylaws..

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation, or Bylaws of the Corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

ARTICLE XIII

AMENDMENTS

Section 52. Amendments. The Board of Directors is expressly empowered to adopt, amend or repeal Bylaws of the Corporation. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the Corporation; *provided, however,* that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws of the Corporation.

EXHIBIT "D"

FORM OF CANADIAN EXCHANGE OFFER ELECTION

*Any Canadian Company Shareholder seeking to make a Canadian Exchange Offer Election as described in the Merger Agreement dated September 28, 2018 as between Dixie Brands, Inc. (the "**Company**"), Academy Explorations Limited (the "**Parent**") and Dixie Brands Acquisition, Inc. must complete this form and submit a copy to each of the Company and Parent no later than **five (5)** Business Days prior to the Effective Date of the Merger.*

All holders of Company Shares should consult with their own tax advisors as to whether they are eligible to make a Canadian Exchange Offer Election, the tax consequences of making, or failing to make, such election and all filing and Canadian tax reporting obligations. The making of a Canadian Exchange Offer Election by a Canadian Company Shareholder will generally permit the Canadian Company Shareholder to make a Section 85 Joint Tax Election with Parent to defer Canadian federal income taxation with respect to the sale of Company Shares.

This Canadian Exchange Offer Election does not constitute a Section 85 Joint Tax Election. Any Canadian Company Shareholder that seeks to make a Section 85 Joint Tax Election must (i) complete and submit a copy of this Canadian Exchange Offer Election to the Company and Parent as described above; and (ii) prepare, submit to Parent, complete and file with the Canada Revenue Agency a Section 85 Joint Tax Election as described below. There may be other provincial/territorial tax filings required, which you should discuss with your personal tax advisor.

All capitalized terms used herein that are not defined shall have the meaning as defined in the Merger Agreement.

The undersigned (the "**Electing Canadian Company Shareholder**") represents that it is a "Canadian Company Shareholder" as that term is defined in Merger Agreement, and hereby elects to sell all of the Company Shares owned by such Electing Canadian Company Shareholder to Parent pursuant to the Canadian Exchange Offer as defined in the Merger Agreement.

The Electing Canadian Company Shareholder acknowledges that it is submitting this election for purposes of selling its Company Shares directly to Parent in exchange for Parent Shares as described in the definition of Canadian Exchange Offer with such sale to be effective at the end of the day immediately preceding the Effective Time of the Merger.

The Electing Canadian Company Shareholder acknowledges that the Parent has agreed to jointly execute with such Electing Canadian Company Shareholder (and the Electing Canadian Company Shareholder shall file), within the time referred to in subsection 85(6) of the ITA, an election in prescribed form under section 85 of the Tax Act (a "**Section 85 Joint Tax Election**") electing to transfer the Electing Canadian Company Shareholder's Company Shares for the purposes of the

ITA at an agreed amount determined by the Electing Canadian Company Shareholder, provided such amount is within the parameters set forth in the ITA.

The Electing Canadian Company Shareholder making a Section 85 Joint Tax Election will be solely responsible preparing and filing the Section 85 Joint Tax Election, for meeting the requirements to make such Section 85 Joint Tax Election and for providing a copy of the Section 85 Joint Tax Election to Parent for execution. Parent's only responsibility will be to execute a Section 85 Joint Tax Election provided to it by the Electing Canadian Company Shareholder and for returning such executed Section 85 Joint Tax Election to the Electing Canadian Company Shareholder within a reasonable time after having received it from the Electing Canadian Company Shareholder. Parent will not be responsible for the valid completion or timely filing of any Section 85 Joint Tax Election and the Electing Canadian Company Shareholder will be solely responsible for the payment of any late filing penalty. Parent will not be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by the Electing Canadian Company Shareholder to validly complete any Section 85 Joint Tax Election form or to properly file such form within the time prescribed and in the form prescribed under the ITA.

Executed this _____ day of _____, 2018.

Name: _____

Signature: _____

Number of Company Shares Held: _____

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***Note to Undersigned*: Ensure that this form is completed and a copy delivered to each of the Company and Parent no later than five (5) days prior to the Effective Date of the Merger otherwise you will participate in the Merger as opposed to selling your Company Shares directly to Parent.**