

BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLES

1325243 B.C. UNLIMITED LIABILITY COMPANY

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BUSINESS CORPORATIONS ACT

ARTICLES

of

**1325243 B.C. UNLIMITED LIABILITY COMPANY
(the “Company”)**

PART 1

INTERPRETATION

Definitions

1.1 In these Articles, unless the context otherwise requires:

(a) “**Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

(b) “**Adjusted Book Value**” means, with respect to any asset, such asset’s adjusted basis for federal income tax purposes, with the following exceptions and adjustments: (i) the initial Adjusted Book Value of any asset contributed to the Company by a shareholder shall be the fair market value of such asset (unreduced by liabilities secured by such asset) as determined by the contributing shareholder and the board; (ii) the Adjusted Book Values of all Company assets shall be adjusted to equal their respective fair market values (unreduced by liabilities secured by such assets), as determined by the board, as of the following times: (a) the acquisition from the Company of an additional share by any new or existing shareholder in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Company to a shareholder of more than a de minimis amount of Company property as consideration for a share; (c) the issuance of a share (other than a de minimis share interest) in the Company to a service provider as consideration for the provision of services to or for the benefit of the Company; and (d) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that in the case of clauses (a), (b), and (c), such adjustments shall only be made if the director determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the shareholders in the Company; (iii) the Adjusted Book Value of any Company asset distributed to any shareholder shall be the fair market value of such asset (unreduced by liabilities secured by such asset) on the date of distribution; (iv) the Adjusted Book Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and

§30.9(v); provided, however, that Adjusted Book Values shall not be adjusted pursuant to this subsection (iv) to the extent the board determines that an adjustment pursuant to subsection (ii) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (iv); and (v) the Adjusted Book Value of each asset determined or adjusted pursuant to subsections (i), (ii), or (iv) above shall thereafter be adjusted by the Depreciation taken into account with respect to such asset in computing Profit or Loss.

(c) **“Adjusted Capital Account Deficit”** means, with respect to any shareholder, the deficit balance, if any, in the shareholder’s Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments: (i) the deficit shall be decreased by the amounts which the shareholder is obligated to restore pursuant to this Agreement, or is deemed obligated to restore pursuant to Regulations Sections 1.704-1(b)(2)(ii)(c) and 1.704-2; and (ii) the deficit shall be increased by the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), and (6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) **“board of directors”, “directors” and “board”** mean the directors or sole director of the Company for the time being.

(e) **“Capital Account”** means the account maintained by the Company for each shareholder in accordance with the following provisions: (i) a shareholder’s Capital Account shall be credited with the amount of money and the initial Adjusted Book Value of any other property contributed by such shareholder to the Company, the amount of any Company liabilities assumed by the shareholder (or which are secured by Company property distributed to the shareholder), the shareholder’s distributive share of Profit and any item in the nature of income or gain specially allocated to such shareholder pursuant to the provisions of §30.7, §30.8 or §30.9 (other than §30.9(iv)); (ii) a shareholder’s Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the shareholder, the amount of any liabilities of the shareholder assumed by the Company (or which are secured by property contributed by the shareholder to the Company), the shareholder’s distributive share of Loss and any item in the nature of expenses or losses specially allocated to the shareholder pursuant to the provisions of §30.7, §30.8 or §30.9 (other than §30.9(iv)); and (iii) if any shares are transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred shares. It is intended that the Capital Accounts of all shareholders shall be maintained in compliance with the provisions of Regulations Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

(f) **“Capital Contribution”** means, with respect to any shareholder, the amount of money and the initial Adjusted Book Value of any other property (net liabilities assumed by the Company on such contribution or to which such contributed property is subject) contributed (or deemed contributed under Regulations Section 1.704-1(b)(2)(iv)(d)) to the Company with respect to the shares held by such shareholder as of the time in question.

(g) “**Capital Transaction**” means any transaction (or series of related transactions), not in the ordinary course of business which results in the Company’s receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, condemnations, refinancings, recoveries of damage awards, and insurance proceeds.

(h) “**Code**” means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

(i) “**Depreciation**” means, with respect to any Company asset for each taxable year, the Company’s depreciation, amortization, or other cost recovery deductions determined for federal income tax purposes, except that if the Adjusted Book Value of an asset differs from its adjusted tax basis at the beginning of such taxable year, Depreciation shall be an amount which bears the same ratio to such beginning Adjusted Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such taxable year bears to such beginning adjusted tax basis; provided, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such taxable year is zero and the Adjusted Book Value of the asset is positive, Depreciation shall be determined with reference to such beginning Adjusted Book Value using any permitted method selected by the board in accordance with Regulations Section 1.704-1(b)(2)(iv)(g)(3); and provided, further, if the remedial allocation method of Regulation Section 1.704-3(d) is utilized with respect to a Company asset, the depreciation, amortization, or other cost recovery deduction taken into account shall be determined under Regulations Section 1.704-3(d)(2).

(j) “**Interpretation Act**” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

(k) “**legal personal representative**” means the personal or other legal representative of the shareholder.

(l) “**Minimum Gain**” has the meaning set forth in Regulations Section 1.704-2(d). Minimum Gain shall be computed separately for each shareholder in a manner consistent with the Regulations under Code Section 704(b).

(m) “**Net Cash Flow**” means all cash funds derived from the operations of the Company (including interest received on reserves, but excluding Capital Contributions), without reduction for any non-cash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, partial or complete redemptions of shares, capital improvements and replacements, as determined by the board in its sole discretion. For the avoidance of doubt, Net Cash Flow does not include Net Cash From Capital Transactions.

(n) “**Net Cash From Capital Transactions**” means the net cash proceeds to the Company from all Capital Transactions of the Company, less any portion of the proceeds

used to pay debts and liabilities of the Company, to establish reserves, or to make partial or complete redemptions of shares, as determined by the board in its sole discretion.

(o) “**Nonrecourse Deduction**” shall have the meaning set forth in Regulations Section 1.704-2(b)(1).

(p) “**Nonrecourse Liability**” means any liability of the Company with respect to which no shareholder and no person related to a shareholder has personal liability determined in accordance with Code Section 752 and the Regulations promulgated thereunder.

(q) “**Partnership Representative**” means the Person designated in §30.6 hereof as such, which Person shall act as the “partnership representative,” as defined in Section 6223(a) of the Code (or any similar position under any corresponding provisions of applicable state or foreign law).

(r) “**Percentage**” means, with respect to any holder of Common shares and/or Profits Interest shares, the percentage that a holders total Common shares and Profits Interest shares bear to the sum of the total number of all Common shares and Profits Interest shares outstanding.

(s) “**Profit**” and “**Loss**” means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company’s taxable income or loss determined in accordance with Code Section 703(a), with the following adjustments: (i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss; (ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing taxable income or loss; (iii) any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulations Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss; (iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the Adjusted Book Value of the property disposed of, notwithstanding the fact that the Adjusted Book Value differs from the adjusted basis of the property for federal income tax purposes; (v) if the Adjusted Book Value of any or all Company assets is adjusted pursuant to section (ii) or (iii) of the definition of Adjusted Book Value, the amount of such adjustment will be taken into account as gain or loss from the disposition of such asset for purposes of computing Profit or Loss; (vi) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account Depreciation; and (vii) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to §30.9 hereof shall not be taken into account in computing Profit or Loss. Except as otherwise provided in §30.9, the amounts of the items of Company income, gain, loss, or deduction available to be specially allocate pursuant to §30.9 shall be determined by applying rules analogous to those set forth in clauses (i) through (vi) above.

(t) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register.

- (u) “**Regulations**” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.
- (v) “**seal**” means the seal of the Company, if any.
- (w) “**share**” means a share in the share structure of the Company.
- (x) “**Shareholder Loan Nonrecourse Deductions**” means any Company deductions that would be Nonrecourse Deductions if they were not attributable to a loan made or guaranteed by a shareholder within the meaning of Regulations Section 1.704-2(i).
- (y) “**Shareholder Minimum Gain**” means an amount, with respect to each Shareholder Nonrecourse Debt, equal to the Minimum Gain that would result if such Shareholder Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).
- (z) “**Shareholder Nonrecourse Debt**” has the meaning set forth for the term “partner nonrecourse debt” in Regulations Section 1.704-2(b)(4).
- (aa) “**special majority**” means the majority of votes described in §11.2 which is required to pass a special resolution.

Act and Interpretation Act Definitions Applicable

1.2 The definitions in the Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and except as the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Act will prevail. If there is a conflict or inconsistency between these Articles and the Act, the Act will prevail.

PART 2

SHARES AND SHARE CERTIFICATES

Authorized Share Structure

2.1 The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

Form of Share Certificate

2.2 Each share certificate issued by the Company must comply with, and be signed as required by, the Act and the following statement must be set out on the face of each share certificate issued:

“The shareholders of this company are jointly and severally liable to satisfy the debts and liabilities of this company to the extent provided in section 51.3 of the *Business Corporations Act*”.

Delivery by Mail

2.3 Any share certificate or non-transferable written acknowledgment of a shareholder’s right to obtain a share certificate may be sent to the shareholder by mail at the shareholder’s registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

Replacement of Worn Out or Defaced Certificate or Acknowledgement

2.4 If a share certificate or a non-transferable written acknowledgment of the shareholder’s right to obtain a share certificate is worn out or defaced, the Company must, on production of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as are deemed fit:

- (a) cancel the share certificate or acknowledgment; and
- (b) issue a replacement share certificate or acknowledgment.

Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

2.5 If a share certificate or a non-transferable written acknowledgment of a shareholder’s right to obtain a share certificate is lost, stolen or destroyed, the Company must issue a replacement share certificate or acknowledgment, as the case may be, to the person entitled to that share certificate or acknowledgment, if it receives:

- (a) proof satisfactory to it of the loss, theft or destruction; and
- (b) any indemnity the directors consider adequate.

Splitting Share Certificates

2.6 If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder’s name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

Certificate Fee

2.7 There must be paid to the Company, in relation to the issue of any share certificate under §2.4, §2.5 or §2.6, the amount, if any, not exceeding the amount prescribed under the Act, determined by the directors.

Recognition of Trusts

2.8 Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3

ISSUE OF SHARES

Directors Authorized

3.1 Subject to the Act and the rights, if any, of the holders of issued shares of the Company, the Company may allot, issue, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the consideration (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

Commissions and Discounts

3.2 The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person's purchase or agreement to purchase shares of the Company from the Company or any other person's procurement or agreement to procure purchasers for shares of the Company.

Brokerage

3.3 The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

Conditions of Issue

3.4 Except as provided for by the Act, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property;
 - (iii) money; and

- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under §3.1.

Share Purchase Warrants and Rights

3.5 Subject to the Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4

SHARE REGISTERS

Central Securities Register

4.1 As required by and subject to the Act, the Company must maintain in British Columbia a central securities register and may appoint an agent to maintain such register. The directors may appoint one or more agents, including the agent appointed to keep the central securities register, as transfer agent for shares or any class or series of shares and the same or another agent as registrar for shares or such class or series of shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

PART 5

SHARE TRANSFERS

Registering Transfers

5.1 A transfer of a share must not be registered unless the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:

- (a) except as exempted by the Act, a duly signed proper instrument of transfer in respect of the share;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and
- (d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

Form of Instrument of Transfer

5.2 The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates of that class or series or in some other form that may be approved by the directors.

Transferor Remains Shareholder

5.3 Except to the extent that the Act otherwise provides, the transferor of a share is deemed to remain the holder of it until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

Signing of Instrument of Transfer

5.4 If a shareholder, or the shareholder's duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

Enquiry as to Title Not Required

5.5 Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares transferred, of any interest in such shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

Transfer Fee

5.6 There must be paid to the Company, in relation to the registration of a transfer, the amount, if any, determined by the directors.

PART 6

TRANSMISSION OF SHARES

Legal Personal Representative Recognized on Death

6.1 In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the Company shall receive the documentation required by the Act.

Rights of Legal Personal Representative

6.2 The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Act and the directors have been deposited with the Company. This §6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the name of the shareholder and the name of another person in joint tenancy.

PART 7

PURCHASE, REDEEM OR OTHERWISE ACQUIRE SHARES

Company Authorized to Purchase, Redeem or Otherwise Acquire Shares

7.1 Subject to §7.2, §27 and §28, the special rights or restrictions attached to the shares of any class or series and the Act, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

Purchase When Insolvent

7.2 The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

7.3 If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

Company Entitled to Purchase, Redeem or Otherwise Acquire Share Fractions

7.4 The Company may, without prior notice to the holders, purchase, redeem or otherwise acquire for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. Upon the Company delivering the purchase funds and confirmation of purchase or redemption of the share fractions to the holders' registered or last known address, or if the Company has a transfer agent then to such agent for the benefit of and forwarding to such holders, the Company shall thereupon amend its central securities register to reflect the purchase or redemption of such share fractions and if the Company has a transfer agent, shall direct the transfer agent to amend the central securities register accordingly. Any holder of a share fraction, who upon receipt of the funds and confirmation of purchase or redemption of same, disputes the fair value paid for the fraction, shall have the right to apply to the court to request that it set the price and terms of payment and make consequential orders and give directions the court considers appropriate, as if the Company were the "acquiring person" as contemplated by Division 6, Compulsory Acquisitions, Section 300 under the Act and the holder were an "offeree" subject to the provisions contained in such Division, *mutatis mutandis*.

PART 8

BORROWING POWERS

8.1 The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

PART 9

ALTERATIONS

Alteration of Authorized Share Structure

9.1 Subject to §9.2 and the Act, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act,

and, if applicable, alter its Notice of Articles and Articles accordingly.

Special Rights or Restrictions

9.2 Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by special resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued,

and alter its Notice of Articles and Articles accordingly.

Change of Name

9.3 The Company may

(a) if the Company is a public company, by directors' resolution, authorize an alteration to its Notice of Articles, in order to change its name;

(b) if the Company is not a public company, by special resolution, authorize an alteration to its Notice of Articles, in order to change its name, and

(c) by ordinary or directors' resolution, authorize an alteration to its Notice of Articles, in order to adopt or change any translation of that name.

Other Alterations

9.4 If the Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

PART 10

MEETINGS OF SHAREHOLDERS

Annual General Meetings

10.1 Unless an annual general meeting is deferred or waived in accordance with the Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

Resolution Instead of Annual General Meeting

10.2 If all the shareholders who are entitled to vote at an annual general meeting consent in writing by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this §10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

Calling of Meetings of Shareholders

10.3 The directors may, at any time, call a meeting of shareholders.

Notice for Meetings of Shareholders

10.4 The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

Record Date for Notice

10.5 The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Record Date for Voting

10.6 The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Failure to Give Notice and Waiver of Notice

10.7 The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person 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.

Notice of Special Business at Meetings of Shareholders

10.8 If a meeting of shareholders is to consider special business within the meaning of §11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

Place of Meetings

10.9 In addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia approved by a resolution of the directors.

PART 11

PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

Special Business

11.1 At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting;

- (ii) consideration of any financial statements of the Company presented to the meeting;
- (iii) consideration of any reports of the directors or auditor;
- (iv) the setting or changing of the number of directors;
- (v) the election or appointment of directors;
- (vi) the appointment of an auditor;
- (vii) the setting of the remuneration of an auditor;
- (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
- (ix) any other business which, under these Articles or the Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

Special Majority

11.2 The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

Quorum

11.3 Subject to the special rights or restrictions attached to the shares of any class or series of shares, and to §11.4, the quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, holds at least 5% of the issued shares entitled to be voted at the meeting.

One Shareholder May Constitute Quorum

11.4 If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

Persons Entitled to Attend Meeting

11.5 In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted

in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Requirement of Quorum

11.6 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

Lack of Quorum

11.7 If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

Lack of Quorum at Succeeding Meeting

11.8 If, at the meeting to which the meeting referred to in §11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy one or more shareholders, entitled to attend and vote at the meeting shall be deemed to constitute a quorum.

Chair

11.9 The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

Selection of Alternate Chair

11.10 If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present may choose either one of their number or the lawyer of the Company to be chair of the meeting. If all of the directors present decline to take the chair or fail to so choose or if no director is present or the lawyer of the Company declines to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

Adjournments

11.11 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of Adjourned Meeting

11.12 It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

Decisions by Show of Hands or Poll

11.13 Subject to the Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

Declaration of Result

11.14 The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under §11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Motion Need Not be Seconded

11.15 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

Casting Vote

11.16 In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

Manner of Taking Poll

11.17 Subject to §11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:

- (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

Demand for Poll on Adjournment

11.18 A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

Chair Must Resolve Dispute

11.19 In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and the determination of the chair made in good faith is final and conclusive.

Casting of Votes

11.20 On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

No Demand for Poll on Election of Chair

11.21 No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

Demand for Poll Not to Prevent Continuance of Meeting

11.22 The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Retention of Ballots and Proxies

11.23 The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12

VOTES OF SHAREHOLDERS

Number of Votes by Shareholder or by Shares

12.1 Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under §12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

Votes of Persons in Representative Capacity

12.2 A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

Votes by Joint Holders

12.3 If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

Legal Personal Representatives as Joint Shareholders

12.4 Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of §12.3, deemed to be joint shareholders registered in respect of that share.

Representative of a Corporate Shareholder

12.5 If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must be received:
 - (i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (b) if a representative is appointed under this §12.5:
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

Proxy Provisions Do Not Apply to All Companies

12.6 If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, then §12.7 to §12.15 are not mandatory, however the directors of the Company are authorized to apply all or part of such sections or to adopt alternative procedures for proxy form, deposit and revocation procedures to the extent that the directors deem necessary in order to comply with securities laws applicable to the Company.

Appointment of Proxy Holders

12.7 Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Alternate Proxy Holders

12.8 A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

Proxy Holder Need Not Be Shareholder

12.9 A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under §12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

Deposit of Proxy

12.10 A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (b) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet or telephone voting or by email, if permitted by the notice calling the meeting or the information circular for the meeting.

Validity of Proxy Vote

12.11 A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Form of Proxy

12.12 A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): _____

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder—printed]

Revocation of Proxy

12.13 Subject to §12.14, every proxy may be revoked by an instrument in writing that is received:

- (a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Revocation of Proxy Must Be Signed

12.14 An instrument referred to in §12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or the shareholder's legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under §12.5.

Production of Evidence of Authority to Vote

12.15 The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13

DIRECTORS

First Directors; Number of Directors

13.1 The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Act. The number of directors, excluding additional directors appointed under §14.8, is set at:

- (a) subject to §(b) and §(c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors in office pursuant to §14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors in office pursuant to §14.4.

Change in Number of Directors

13.2 If the number of directors is set under §13.1(b)(i) or §13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to §14.8, may appoint directors to fill those vacancies.

Directors' Acts Valid Despite Vacancy

13.3 An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

Qualifications of Directors

13.4 A director is not required to hold a share in the share structure of the Company as qualification for his or her office but must be qualified as required by the Act to become, act or continue to act as a director.

Remuneration of Directors

13.5 The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders.

Reimbursement of Expenses of Directors

13.6 The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

Special Remuneration for Directors

13.7 If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive.

Gratuity, Pension or Allowance on Retirement of Director

13.8 Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14

ELECTION AND REMOVAL OF DIRECTORS

Election at Annual General Meeting

14.1 At every annual general meeting and in every unanimous resolution contemplated by §10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under §(a), but are eligible for re-election or re-appointment.

Consent to be a Director

14.2 No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the Act;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the Act.

Failure to Elect or Appoint Directors

14.3 If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by §10.2, on or before the date by which the annual general meeting is required to be held under the Act; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by §10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) when his or her successor is elected or appointed; and
- (d) when he or she otherwise ceases to hold office under the Act or these Articles.

Places of Retiring Directors Not Filled

14.4 If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles but their term of office shall expire when new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

Directors May Fill Casual Vacancies

14.5 Any casual vacancy occurring in the board of directors may be filled by the directors.

Remaining Directors Power to Act

14.6 The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Act, for any other purpose.

Shareholders May Fill Vacancies

14.7 If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

Additional Directors

14.8 Notwithstanding §13.1 and §13.2, between annual general meetings or by unanimous resolutions contemplated by §10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this §14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this §14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under §14.1(a), but is eligible for re-election or re-appointment.

Ceasing to be a Director

14.9 A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to §14.10 or §14.11.

Removal of Director by Shareholders

14.10 The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

Removal of Director by Directors

14.11 The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15

POWERS AND DUTIES OF DIRECTORS

Powers of Management

15.1 The directors must, subject to the Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the shareholders of the Company.

Appointment of Attorney of Company

15.2 The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 16

INTERESTS OF DIRECTORS AND OFFICERS

Obligation to Account for Profits

16.1 A director or senior officer who holds a disclosable interest (as that term is used in the Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Act.

Restrictions on Voting by Reason of Interest

16.2 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

Interested Director Counted in Quorum

16.3 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

Disclosure of Conflict of Interest or Property

16.4 A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Act.

Director Holding Other Office in the Company

16.5 A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

No Disqualification

16.6 No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

Professional Services by Director or Officer

16.7 Subject to the Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

Director or Officer in Other Corporations

16.8 A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 17

PROCEEDINGS OF DIRECTORS

Meetings of Directors

17.1 The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

Voting at Meetings

17.2 Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

Chair of Meetings

17.3 The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

- (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

Meetings by Telephone or Other Communications Medium

17.4 A director may participate in a meeting of the directors or of any committee of the directors:

- (a) in person; or
- (b) by telephone or by other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other.

A director who participates in a meeting in a manner contemplated by this §17.4 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

Calling of Meetings

17.5 A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

Notice of Meetings

17.6 Other than for meetings held at regular intervals as determined by the directors pursuant to §17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in §23.1 or orally or by telephone.

When Notice Not Required

17.7 It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director or alternate director has waived notice of the meeting.

Meeting Valid Despite Failure to Give Notice

17.8 The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

Waiver of Notice of Meetings

17.9 Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate 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.

Quorum

17.10 The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

Validity of Acts Where Appointment Defective

17.11 Subject to the Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

Consent Resolutions in Writing

17.12 A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this §17.12 may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this §17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 18

EXECUTIVE AND OTHER COMMITTEES

Appointment and Powers of Executive Committee

18.1 The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

Appointment and Powers of Other Committees

18.2 The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under §(a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in §(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

Obligations of Committees

18.3 Any committee appointed under §18.1 or §18.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and

- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

Powers of Board

18.4 The directors may, at any time, with respect to a committee appointed under §18.1 or §18.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

Committee Meetings

18.5 Subject to §18.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under §18.1 or §18.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 19

OFFICERS

Directors May Appoint Officers

19.1 The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

Functions, Duties and Powers of Officers

19.2 The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

Qualifications

19.3 No person may be appointed as an officer unless that person is qualified in accordance with the Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

Remuneration and Terms of Appointment

19.4 All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 20

INDEMNIFICATION

Definitions

20.1 In this Part 20:

- (a) “**eligible party**”, in relation to a company, means an individual who:
 - (i) is or was a director, alternate director, officer or Partnership Representative of the Company;
 - (ii) is or was a director, alternate director or officer of another corporation
 - (A) at a time when the corporation is or was an affiliate of the Company, or
 - (B) at the request of the Company; or
 - (iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity,

and includes, except in the definition of “eligible proceeding” and Sections 163(1)(c) and (d) and 165 of the Act, the heirs and personal or other legal representatives of that individual;

(b) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(c) “**eligible proceeding**” means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director, alternate director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(d) “**expenses**” has the meaning set out in the Act and includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and

(e) “**proceeding**” includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Mandatory Indemnification of Eligible Parties

20.2 Subject to the Act, the Company must indemnify each eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in this §20.2.

Indemnification of Other Persons

20.3 Subject to any restrictions in the Act, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

Authority to Advance Expenses

20.4 The Company may advance expenses to an eligible party to the extent permitted by and in accordance with the Act.

Non-Compliance with Act

20.5 Subject to the Act, the failure of an eligible party of the Company to comply with the Act or these Articles or, if applicable, any former *Companies Act* or former Articles does not, of itself, invalidate any indemnity to which he or she is entitled under this Part 20.

Company May Purchase Insurance

20.6 The Company may purchase and maintain insurance for the benefit of any eligible party (or the heirs or legal personal representatives of any eligible party) against any liability incurred by any eligible party.

PART 21

DIVIDENDS

Payment of Dividends Subject to Special Rights

21.1 The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

Declaration of Dividends

21.2 Subject to the Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

No Notice Required

21.3 The directors need not give notice to any shareholder of any declaration under §21.2.

Record Date

21.4 The directors must set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months.

Manner of Paying Dividend

21.5 A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

Settlement of Difficulties

21.6 If any difficulty arises in regard to a distribution under §21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

When Dividend Payable

21.7 Any dividend may be made payable on such date as is fixed by the directors.

Dividends to be Paid in Accordance with Number of Shares

21.8 Subject to Part 29, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

Receipt by Joint Shareholders

21.9 If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

Dividend Bears No Interest

21.10 No dividend bears interest against the Company.

Fractional Dividends

21.11 If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

Payment of Dividends

21.12 Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

Capitalization of Retained Earnings or Surplus

21.13 Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

PART 22

ACCOUNTING RECORDS AND AUDITOR

Recording of Financial Affairs

22.1 The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Act.

Inspection of Accounting Records

22.2 Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

Remuneration of Auditor

22.3 The directors may set the remuneration of the auditor of the Company.

PART 23

NOTICES

Method of Giving Notice

23.1 Unless the Act or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the Act or these Articles to be sent by or to a person may be sent by:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;

- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

Deemed Receipt of Mailing

23.2 A notice, statement, report or other record that is:

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in §23.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person under §23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) emailed to a person to the e-mail address provided by that person under §23.1 is deemed to be received by the person to whom it was e-mailed on the day that it was emailed.

Certificate of Sending

23.3 A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with §23.1 is conclusive evidence of that fact.

Notice to Joint Shareholders

23.4 A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

Notice to Legal Personal Representatives and Trustees

23.5 A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in §(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

Undelivered Notices

23.6 If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to §23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 24

SEAL

Who May Attest Seal

24.1 Except as provided in §24.2 and §24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

Sealing Copies

24.2 For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite §24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

Mechanical Reproduction of Seal

24.3 The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under §24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 25

PROHIBITIONS

Definitions

25.1 In this Part 25:

- (a) “**designated security**” means:
 - (i) a voting security of the Company;
 - (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (iii) a security of the Company convertible, directly or indirectly, into a security described in §(a) or §(b);
- (b) “**security**” has the meaning assigned in the *Securities Act* (British Columbia); and
- (c) “**voting security**” means a security of the Company that:
 - (i) is not a debt security; and

- (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Application

25.2 §25.3 does not apply to the Company if and for so long as it is a public company, a private company which is no longer eligible to use the private issuer exemption under the *Securities Act* (British Columbia) or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or a company to which the Statutory Reporting Company Provisions apply.

Consent Required for Transfer of Shares or Designated Securities

25.3 No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

PART 26 SPECIAL RIGHTS AND RESTRICTIONS COMMON SHARES

26.1 Attachment of Special Rights or Restrictions

There are attached to the Common shares the special rights or restrictions set forth in this Part 26.

26.2 Voting Rights for Common shares

The holders of the Common shares will be entitled to receive notice of, attend and vote at any general meeting of the Company and to cast one vote for each Common share held on the applicable record date in respect of any matter put to vote at such a meeting.

26.3 Dividends on Common shares

Subject to the special rights or restrictions attached to the shares of any other class, in each year, at the discretion of the directors, dividends may be paid on the Common shares out of all amounts available for dividends, provided however that dividends shall not be paid on such shares if to do so would be to reduce the value of the net assets of the Company to less than the total Redemption Account of the Preferred shares. Any such dividend may be paid in cash or by issuing fully paid shares of the Company.

26.4 Liquidation Entitlement

The holders of Common shares shall have the liquidation rights described in §29.3.

PART 27

SPECIAL RIGHTS OR RESTRICTIONS PREFERRED SHARES

27.1 Attachment of Special Rights or Restrictions

There are attached to the Preferred shares the special rights or restrictions set forth in this Part.

27.2 Dividends on Preferred Shares

In each calendar year, the board in its discretion may declare and pay out of surplus of the Company lawfully available therefor non-cumulative dividends on the Preferred shares from time to time outstanding at a rate not exceeding 5% per annum of the Redemption Account for Preferred shares, calculated pursuant to §27.7, as at the record date for each such dividend. Any such dividend may be paid in cash or by issuing fully paid shares of the Company.

27.3 Redemption by the Company

Subject to the provisions of this Part, the Company may at any time redeem any outstanding Preferred share by paying to the holder of such share the price (in this Part, the “Redemption Price”) therefor calculated pursuant to §27.6.

27.4 Redemption at Request of Holder

If at any time a holder of one or more Preferred shares delivers to the Company a written request that the Company redeem all or some specified number less than all of such shares held by him, the Company will, unless it is prohibited by law from effecting the requested redemption, give notice that it will redeem, on a day not more than 30 days after such delivery, every Preferred share it is so requested to redeem.

27.5 Remedy for Failure to Redeem

If at any time a request for redemption is made as provided in §27.4 and for any reason the Company does not give the notice provided in that Article or fails to comply with any of its obligations to redeem arising out of such notice,

(a) the dividend provided for in §27.2 on each Preferred Share will for all purposes become cumulative if the redemption proceeds are not paid to the holder of Preferred shares within 30 days of the demand for redemption, and

(b) it will, as between the holders of shares in the capital of the Company, be deemed to be just and equitable that the Company be wound up.

27.6 Redemption Price

The Redemption Price for each Preferred share that is redeemed is the quotient obtained when

(a) the Redemption Account, calculated pursuant to §27.7, for Preferred shares immediately before the time for redemption

is divided by

(b) number of Preferred shares outstanding immediately before the time for redemption.

27.7 Redemption Account

For the purposes of §27.6, the Redemption Account for Preferred shares at any time is the amount, if any, by which the total of

(a) the Issue Consideration, calculated pursuant to §27.8, for each issue of one or more Preferred shares before that time, and

(b) all amounts required to be added to such Redemption Account before that time pursuant to §27.12(a)

exceeds the total of

(c) every amount paid or payable on account of the Redemption Price of a Preferred share redeemed before that time,

(d) in respect of each Preferred share acquired by the Company before that time otherwise than by redemption, the amount that would have been the Redemption Price paid on the redemption thereof if such share had instead been redeemed at the time that it was acquired, and

(e) all amounts required to be deducted from the Redemption Account before that time pursuant to §27.13(a).

27.8 Issue Consideration

For the purposes of §27.7, the Issue Consideration for an issue of one or more Preferred shares is the amount by which the total fair market value as at the time of allotment of all property received by the Company as consideration for such issue, as determined by the directors for the purposes of such issue, exceeds the amount, if any, paid or payable by the Company for the acquisition of such property otherwise than by such issue.

27.9 Adjustment of Fair Market Value

If it is at any time asserted by the Company, a person who was the holder at redemption of a Preferred share that was redeemed, the holder of a Preferred share, or the Canada Revenue Agency, that the fair market value as at the time of allotment of any property received by the Company as consideration for the issue of any Preferred share or shares was greater or less than the amount most recently before that time determined by the directors as provided in §27.8 or agreed or determined pursuant to this Part or §27.10 as being such fair market value, the Company and every

such holder and former holder of a Preferred share will attempt to agree on such fair market value, and if they are unable so to agree any of them may submit the matter for determination by arbitration proceedings to which the Company and every such holder and former holder are parties.

27.10 Arbitration

Any matter submitted for determination by arbitration pursuant to §27.9 will be determined by a single arbitrator appointed and acting pursuant to the laws prevailing in British Columbia governing the arbitration of commercial disputes.

27.11 Presumption of Fair Market Value

For the purposes of any such arbitration, a finding as to the fair market value as at any time of any property made by any tribunal or Court of competent jurisdiction in proceedings concerning the liability under the *Income Tax Act* (Canada) of a holder or former holder of a Preferred share will be presumed to be correct unless the contrary is shown.

27.12 Valuation Deficiency

If the fair market value of any property is at any time agreed or determined pursuant to §27.9 or §27.10 to be an amount that exceeds the amount most recently before that time determined as provided in §27.8 or agreed or determined pursuant to §27.9 or §27.10 as being such fair market value (the difference between such amounts being referred to as the “Valuation Deficiency”),

- (a) if any Preferred share is outstanding, an amount equal to the amount of the Valuation Deficiency will be added to the Redemption Account for Preferred shares, and
- (b) if no Preferred share is outstanding, then in respect of each Preferred share redeemed during the most recent period throughout which there was such a share outstanding the Company will pay to the person who was the holder of the share at the time of redemption, as further proceeds of redemption, without interest, an amount equal to the quotient obtained when the Valuation Deficiency is divided by the total of the number of such shares so redeemed.

27.13 Valuation Excess

If the fair market value of any property is at any time agreed or determined pursuant to §27.9 or §27.10 to be an amount that is less than the amount most recently before that time determined as provided in §27.8 or agreed or determined pursuant to §27.9 or §27.10 as being such fair market value (the difference between such amounts being referred to as the “Valuation Excess”),

- (a) an amount equal to the lesser of the Valuation Excess and the Redemption Account for Preferred shares immediately before that time will be deducted from the Redemption Account for Preferred shares, and
- (b) each person who was the holder on redemption of a Preferred share redeemed during the most recent period through which there was such a share outstanding will become liable to pay or cause to be paid to the Company in respect of that share, as a refund

of overpayment of the proceeds of redemption, without interest, an amount equal to the quotient obtained when the amount by which the Valuation Excess exceeds the Redemption Account for Preferred shares immediately before that time is divided by the total number of such shares so redeemed.

27.14 Rules and Procedures for Redemptions

All redemptions of Preferred shares will be in accordance with the following rules and procedures:

- (a) if less than all the outstanding Preferred shares are at any time to be redeemed, the number of such shares of each holder to be redeemed will be that proportion of the number of such shares held by such holder that the number of such shares to be redeemed bears to the total number of such shares outstanding, except that the Company will not be required to redeem any fraction of a share and may depart from such pro rata redemption in such manner and to such extent as the board deems necessary in order to avoid fractions,
- (b) subject as provided in §(c), on any redemption the Company will, at least 10 days before the redemption is to take place, give notice of redemption to each person who at the date the notice is given is the registered holder of a Preferred share to be redeemed, but accidental failure to give any such notice to one or more such holders will not affect the validity of the redemption,
- (c) a holder of a Preferred share may waive notice of redemption or consent to the abridgement of the time for giving such notice, and if the notice is waived the Company will be deemed to have given a notice specifying as the date for redemption the date the redemption actually occurs,
- (d) a notice of redemption will set out the date on which redemption is to take place, the Redemption Price and, if less than all the Preferred shares held by the person to whom the notice is directed are to be redeemed, the number thereof to be redeemed,
- (e) on or after the date specified for redemption in such notice the Company will, on presentation and surrender at the records office of the Company of the certificate for a Preferred share to be redeemed, pay or cause to be paid, to or to the order of the registered holder of the share, the Redemption Price therefor,
- (f) a Preferred share in respect of which the Redemption Price is paid as provided in this Part will thereupon be and be deemed to be redeemed and the certificate representing such share will be cancelled,
- (g) if less than all the Preferred shares evidenced by a certificate are redeemed, a new certificate for the balance will be issued at the expense of the Company,
- (h) after the date for redemption specified in a notice of redemption, the holder of a Preferred share called for redemption will not be entitled to exercise any of the rights of a holder thereof unless payment of the Redemption Price is not made on presentation of the certificate therefor in accordance with the provisions of this Part, in which case the rights of the holder will thereupon be restored,

(i) if the holder of a Preferred share to be redeemed fails to present and surrender the certificate evidencing such share before the expiration of 15 days after the date specified for redemption, the Company may deposit the Redemption Price for the share to a special account in any chartered bank or trust company in British Columbia to be paid without interest to or to the order of the holder upon presentation and surrender to such bank or trust company of the certificate, and upon the making of such deposit every Preferred share in respect of which the deposit is made will be deemed to be redeemed and the rights of the holder thereof after such deposit will be limited to receiving without interest the Redemption Price therefor so deposited against presentation and surrender of the certificate,

(j) where notice of redemption of one or more Preferred shares has been given by the Company, no transfer of any Preferred share may be made by a holder to whom the particular notice was directed unless

(i) number of Preferred shares held by the holder after the transfer will equal or exceed the aggregate number of such shares held by the holder that are to be redeemed pursuant to the particular notice and any other outstanding notice of redemption,

(ii) redemption required by the particular notice has occurred, or

(iii) holder's rights with respect to the shares to have been redeemed pursuant to the particular notice have been restored pursuant to §(h), and

(k) if a Preferred share is deemed to be redeemed pursuant to §(i), the holder of the share at the time of the deemed redemption may not transfer any Preferred share until he has presented and surrendered to the Company or, if applicable, the chartered bank or trust company with which the Redemption Price has been deposited, a certificate or certificates evidencing not less than the number of Preferred shares held by him as to which that paragraph is applicable.

27.15 Liquidation Entitlement

The holders of Preferred shares shall have the liquidation rights described in §29.3.

27.16 Restriction on Payments

Except with the written consent of every holder of a Preferred share, the Company will not, while any Preferred share is outstanding and held by a person other than the Company,

(a) declare or pay any dividend on any share other than a Preferred share, except a stock dividend comprised of shares other than Preferred shares,

(b) redeem or acquire any share in the capital of the Company other than a share ranking in priority to the Preferred shares on a winding-up, or

- (c) reduce its capital other than with respect to a share ranking in priority to the Preferred shares on a winding-up,

unless the board determines and confirms by resolution that if, immediately after the payment of such dividend, such redemption or acquisition, or such reduction of capital, the assets of the Company were realized at their net realizable values, the net assets of the Company would be sufficient to permit the redemption of every Preferred share then outstanding.

27.17 Restriction on Issuance of Preferred Shares

While any Preferred share is outstanding, no other Preferred share will be issued without the written consent of every holder of an outstanding Preferred share.

27.18 Restrictions on Voting and Participation

Except as otherwise required by law, a holder of a Preferred share will not as such be entitled -

- (a) to receive notice of, attend or vote at any general meeting of the Company while any other share in the capital of the Company is outstanding and held by any person other than the Company or a subsidiary of the Company,
- (b) to subscribe for or purchase any part of any issue of shares, bonds, debentures or other securities of the Company while any other share in the capital of the Company is outstanding, or
- (c) to any dividend or otherwise to participate in any surplus of the Company except as provided in this Part while any other share in the capital of the Company is outstanding and held by a person other than the Company.

27.19 Cancellation on Redemption

A Preferred share that is redeemed or purchased by the Company will be cancelled and returned to the authorized and unissued capital of the Company.

PART 28 SPECIAL RIGHTS AND RESTRICTIONS PROFITS INTEREST SHARES

28.1 Attachment of Special Rights or Restrictions

There are attached to the Profits Interest shares the special rights or restrictions set forth in this Part.

28.2 Voting Rights for Profits Interest shares

The holders of the Profits Interest shares will be entitled to receive notice of, attend and vote at any general meeting of the Company and to cast one vote for each Profits Interest share held on the applicable record date in respect of any matter put to vote at such a meeting but only to the

extent such matter specifically affects the rights or privileges of the Profits Interest shares as a class.

28.3 Dividends on Profits Interest shares

Dividends may be paid on the Profits Interest shares in accordance with Part 29, provided however that dividends shall not be paid on such shares if to do so would be to reduce the value of the net assets of the Company to less than the total Redemption Account of the Preferred shares. Any such dividend may be paid in cash or by issuing fully paid shares of the Company.

28.4 Liquidation Entitlement

The holders of Profits Interest shares shall have the liquidation rights described in §29.3.

28.5 Redemption of Profits Interest Shares

If at any time a holder of one or more Profits Interest shares delivers to the Company a written request that the Company redeem all or some specified number less than all of such shares held by him, the Company will, unless it is prohibited by law from effecting the requested redemption, give notice that it will redeem, on a day not more than 30 days after such delivery, every Profits Interest share it is so requested to redeem. If such right is exercised, the Company shall issue to the holder of such share the number of common shares (the “**Parent Shares**”) in the capital of Eat Well Investment Group Inc. or its successor (the “**Parent**”), as are required to be issued pursuant to Part 28 therefor.

28.6 Remedy for Failure to Redeem

If at any time a request for redemption is made as provided in §28.5 and for any reason the Company does not give the notice provided in that Article or fails to comply with any of its obligations to redeem arising out of such notice, it will, as between the holders of shares in the capital of the Company, be deemed to be just and equitable that the Company be wound up.

28.7 PI Share Redemption Amount

The “**PI Share Redemption Amount**” for each Profits Interest share that is redeemed is the amount that would be received by the holder with respect to such Profits Interest share if the Company sold all of its assets for Fair Market Value, allocated all Profit and Loss pursuant to this Agreement, and then distributed its proceeds in liquidation in accordance with §29.3. The PI Share Redemption Amount shall be paid in Parent Shares. The number of Parent Shares to be issued shall be equal to the aggregate PI Share Redemption Amount of the Profits Interest shares being redeemed divided by the 20-day VWAP of Parent Shares up to a maximum of one Parent Share for each Profit Interest share so redeemed, provided, however, that in no event shall Parent be required to issue more than 65,031,826 shares in the aggregate, in payment of the PI Share Redemption Amount for all Profits Interest shares. The Parent Shares shall be as constituted on the date hereof, and shall be subject to adjustment for consolidations, splits, exchanges or such other alternations in capital as if a holder of Profit Interest Shares would have been entitled to such Parent Shares on the date hereof.

28.8 Fair Market Value

For purposes of this Agreement, the “**Fair Market Value**” of the Company shall be the amount agreed upon by the Company, on the one hand, and the transferor of Profits Interest shares, on the other hand. If the Company and the transferor of Profits Interest shares fail to agree as to the Fair Market Value of the Company within thirty (30) days of the provision of notice pursuant to Section §28.5, then an independent appraiser knowledgeable in valuing businesses similar to the business of the Company shall be jointly selected by the Company and the transferor within seven (7) days after the expiration of the thirty (30) day period following Notification (the “**Joint Selection Period**”). The jointly selected appraiser shall determine the Fair Market Value of the Company within sixty (60) days after its appointment, which determination shall be binding and conclusive upon both parties.

If the Company and the transferor fail to agree upon the selection of an appraiser within the Joint Selection Period, the Company shall appoint an independent appraiser knowledgeable in valuing businesses similar to the business of the Company and the transferor shall appoint an independent appraiser knowledgeable in valuing businesses similar to the business of the Company. Each of the Company and the transferor shall appoint its respective independent appraiser within seven (7) days following the expiration of the Joint Selection Period (the “**Independent Selection Period**”). The two appraisers so appointed shall appoint a third independent appraiser knowledgeable in valuing businesses similar to the business of the Company within seven (7) days after both shall have been appointed. If the two appraisers so appointed fail to agree on the appointment of a third independent appraiser within such seven (7) day period, the third independent appraiser shall be appointed by the CEO of the American Society of Appraisers. If either the Company or the transferor fails to appoint an appraiser within the Independent Selection Period, the independent appraiser appointed by the other shall serve as the sole appraiser. The appraiser or appraisers so appointed shall, within sixty (60) days after its or their appointment, determine the Fair Market Value of the Company, and the average of the two appraisals closest to each other in amount (or the sole appraisal if only one appraiser is appointed) shall constitute the Fair Market Value of the Interest to be Transferred and shall be binding and conclusive upon both parties. Each of the Company and the transferor shall bear the fees and expenses of the independent appraiser it selects, and the fees and expenses of the third (or jointly selected) independent appraiser shall be borne equally by the Company and the transferor.

28.9 Rules and Procedures for Redemptions

All redemptions of Profits Interest shares will be in accordance with the following rules and procedures:

- (a) Except with the consent of all of the holders of Profits Interest shares, if less than all the outstanding Profits Interest shares are at any time to be redeemed, the number of such shares of each holder to be redeemed will be that proportion of the number of such shares held by such holder that the number of such shares to be redeemed bears to the total number of such shares outstanding, except that the Company will not be required to redeem any fraction of a share and may depart from such pro rata redemption in such manner and to such extent as the board deems necessary in order to avoid fractions,

(b) subject as provided in §27.14(c), on any redemption the Company will, at least 10 days before the redemption is to take place, give notice of redemption to each person who at the date the notice is given is the registered holder of a Profits Interest share to be redeemed, but accidental failure to give any such notice to one or more such holders will not affect the validity of the redemption,

(c) a holder of a Profits Interest share may waive notice of redemption or consent to the abridgement of the time for giving such notice, and if the notice is waived the Company will be deemed to have given a notice specifying as the date for redemption the date the redemption actually occurs,

(d) a notice of redemption will set out the date on which redemption is to take place, the PI Share Redemption Amount and, if less than all the Profits Interest shares held by the person to whom the notice is directed are to be redeemed, the number thereof to be redeemed,

(e) on or after the date specified for redemption in such notice the Company will, on presentation and surrender at the records office of the Company of the certificate for a Profits Interest share to be redeemed, pay or cause to be paid, to or to the order of the registered holder of the share, the PI Share Redemption Amount therefor,

(f) a Profits Interest share in respect of which the PI Share Redemption Amount is paid as provided in this Part will thereupon be and be deemed to be redeemed and the certificate representing such share will be cancelled,

(g) if less than all the Profits Interest shares evidenced by a certificate are redeemed, a new certificate for the balance will be issued at the expense of the Company,

(h) after the date for redemption specified in a notice of redemption, the holder of a Profits Interest share called for redemption will not be entitled to exercise any of the rights of a holder thereof unless payment of the PI Share Redemption Price is not made on presentation of the certificate therefor in accordance with the provisions of this Part, in which case the rights of the holder will thereupon be restored,

(i) if the holder of a Profits Interest share has been issued a share certificate, and if he fails to present and surrender the certificate evidencing such share before the expiration of 15 days after the date specified for redemption, the Company may issue the Parent Shares and hold them until surrender of the certificate, and upon the issuance of the Parent Shares, every Profits Interest share in respect of which payment is made will be deemed to be redeemed and the rights of the holder thereof after such issuance will be limited to receiving without interest the PI Share Redemption Amount therefor so issued against presentation and surrender of the certificate,

(j) where notice of redemption of one or more Profits Interest shares has been given by the Company, no transfer of any Profits Interest share may be made by a holder to whom the particular notice was directed unless

- (i) the number of Profits Interest shares held by the holder after the transfer will equal or exceed the aggregate number of such shares held by the holder that are to be redeemed pursuant to the particular notice and any other outstanding notice of redemption,
 - (ii) redemption required by the particular notice has occurred, or
 - (iii) holder's rights with respect to the shares to have been redeemed pursuant to the particular notice have been restored pursuant to §27.14(h), and
- (k) if a Profits Interest share is deemed to be redeemed pursuant to §27.14(i), the holder of the share at the time of the deemed redemption may not transfer any Profits Interest share until he has presented and surrendered to the Company a certificate or certificates evidencing not less than the number of Profits Interest shares held by him as to which that paragraph is applicable.

28.10 U.S. Tax Treatment of the Profits Interest Shares

It is the intention of the parties that a shareholder receiving Profits Interest shares is receiving such shares as "profit interests" (within the meaning of Rev. Proc. 93-27, 1993-2 C.B. 343, as clarified by Rev. Proc. 2001-43, 2001-2 C.B. 191) in the Company in exchange for service rendered, or to be rendered, to or for the benefit of the Company or an affiliate and this Agreement shall be interpreted consistent with that intent.

28.11 Distribution Threshold

Upon the issuance of any Profits Interest shares, the board shall specify the "Distribution Threshold" applicable to such Profits Interest shares. The Distribution Threshold applicable to any Profits Interest shares issued by the Company shall be equal to or greater than the amount determined by the board to be necessary to cause such Profits Interest shares to constitute "profits interests" within the meaning of Rev. Proc. 93-27, 1993-2 C.B. 343, as clarified by Rev. Proc. 2001-43, 2001-2 C.B. 191. Notwithstanding anything to the contrary herein, no distribution shall be made under §29.2 or §29.3 in respect of any Profits Interest shares until the aggregate distributions made to all shareholders entitled to receive such distributions pursuant §29.2 or §29.3 from the date of issuance of such Profits Interest shares equals the sum of (i) the Distribution Threshold applicable to such Profits Interest shares and (ii) without duplication, the amount of all Capital Contributions, if any, made on or after the date of issuance of such Profits Interest shares. An amount equal to the amount of any reduction in distributions resulting from the application of the foregoing sentence (i.e., the incremental amount that would otherwise have been distributed in respect of such Profits Interest shares) shall be distributed in accordance with the provisions of this Agreement in respect of all of the other shares, including other Profits Interest shares that are entitled to participate in such distribution subject to the limitations contained in this paragraph.

PART 29 DIVIDENDS

29.1 Dividends of Net Cash Flow

Subject to §29.4, dividends to be paid out of Net Cash Flow shall be paid on the Common shares and the Preferred shares in accordance with §27.3 and §26.2, respectively. For the avoidance of doubt, the holders of Profits Interest shares shall have no right to receive any dividends paid out of Net Cash Flow.

29.2 Dividends of Net Cash from Capital Transactions

Unless otherwise prohibited by law, dividends of Net Cash from Capital Transactions may be made by the Company, at such times as the board may determine in its sole and absolute discretion, as follows: (i) first, in preference to and priority over any distribution or payment on any Common share, to the holders of Preferred shares in the amount that would be the Redemption Price therefor if the date of payment had been the date of the redemption of such share and any declared but unpaid dividends, and after such payment such holder will not as such be entitled to participate in any further distribution of the property or assets of the Company except as provided in §27.12(b); and (ii) second, to the holders of Common shares and Profits Interest shares pro rata in accordance with their Percentages, subject to §29.3, provided that the holders of the Profits Interest shares shall not be entitled to receive any dividend in excess of the amount of dividend payable by the Parent to its common shareholders (assuming, for this purpose, that any dividends received by the Parent pursuant to this §29.2 were distributed to its common shareholders).

29.3 Liquidation Entitlement

In the event of the liquidation, dissolution or winding up of the Company, or other distribution of the assets of the Company among the holders of shares in the capital of the Company for the purpose of winding up its affairs, the assets of the Company shall be distributed, first, to creditors of the Company, and thereafter, to the shareholders in accordance with the positive balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to this Agreement, if any. For purposes of returning the Capital Account of a holder of Profits Interest shares with respect to such shares, the Company shall distribute to each such holder an amount of Parent Shares equal to the amount of Parent Shares such holder would receive if such holder elected pursuant to §28.5 to have all of such holder's Profits Interest shares redeemed for the amount set forth in §28.7 determined on the date of such liquidating distribution (it being understood that the amount to be received pursuant to this §29.3 for purposes of making any calculation pursuant to §28.7 shall be the amount of such holder's Capital Account).

PART 30
US TAX PROVISIONS

30.1 Partnership Classification

The Company shall be taxed as a partnership for United States federal income tax purposes. The shareholders who are tax residents of the United States intend that the Company be treated as a partnership for U.S. income tax purposes. For shareholders who are not tax residents of the United States, the Company may elect to be treated as a corporation under the provisions of any applicable law for non-U.S. tax purposes.

30.2 Capital Accounts

The Company shall maintain for each shareholder a separate Capital Account in accordance with the rules of Regulations Section 1.704-1(b).

30.3 No Deficit Restoration Obligation

If any shareholder has a deficit balance in their Capital Account (after giving effect to all contributions, distributions, and allocations for all fiscal years, including the fiscal year during which a liquidation occurs), such shareholder shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other person for any purpose whatsoever.

30.4 Withholding

Notwithstanding anything to the contrary herein, (i) each shareholder hereby authorizes the Company to withhold and pay over, or otherwise pay, any withholding or other taxes payable by the Company (pursuant to the Code or any other provision of federal, or state or local or other applicable law) with respect to such shareholder or as a result of such shareholder's participation in the Company, including as a result of any distribution to such shareholder and (ii) if and to the extent that the Company is required to withhold or pay any such taxes, such shareholder will be deemed for all purposes hereof to have received a payment from the Company as of the time such withholding or other tax is required to be paid, which payment will be deemed to be a distribution to such shareholder (or any successor to such shareholder's shares) is then entitled to receive a distribution. If the aggregate of such payments to a shareholder for any period exceeds the distributions that such shareholder would have received for such period but for such withholding, the Company shall notify such shareholder as to the amount of such excess and such shareholder shall promptly contribute to the Company, and shall indemnify the Company for, such amount.

30.5 Tax Returns and Other Filings

The Company shall use commercially reasonable efforts to deliver to each shareholder who is a United States tax resident, or to such shareholder's designated tax advisor, within one hundred eighty (180) days after the end of each fiscal year, all information necessary for the preparation of such shareholder's United States federal income tax return. Such information may include, without limitation, the Company's books and records and financial statements for the relevant fiscal year for purposes of translating such information into a format appropriate for U.S. tax

compliance. The board shall cause the Company's accountants to prepare (at the Company's expense) all income and other tax returns of the Company to be filed not later than the date when such filings are required by law. Each of the shareholders shall, in its respective income tax return and other statements filed with the applicable taxing authority, report taxable income in accordance with the provisions of this Agreement.

30.6 Partnership Representative

The board shall select the Company's Partnership Representative. The Partnership Representative shall have all powers and responsibilities provided in the Code. The Partnership Representative shall keep all shareholders informed of all notices from government taxing authorities which may come to the attention of the Partnership Representative. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Partnership Representative in performing those duties. A shareholder shall be responsible for any costs incurred by the shareholder with respect to any tax audit or tax-related administrative or judicial proceeding against any shareholder, even though it relates to the Company. Each shareholder hereby agrees to (i) take such actions as may be required to effect the board's selection of the Partnership Representative, (ii) cooperate to provide any information or take such other actions as may be reasonably requested by the Partnership Representative in order to determine whether any "imputed underpayment" (within the meaning of Code Section 6225) may be modified pursuant to Code Section 6225(c), and (iii) upon the request of the Partnership Representative, file any amended U.S. federal income tax return and pay any tax due in connection with such tax return in accordance with Code Section 6225(c)(2).

30.7 Allocation of Profit and Loss From Operations

Subject to §30.9, Profit and Loss from operations shall be allocated as follows: (i) first, to the holders of Preferred Shares to the extent of, and in proportion to, any dividends distributed to such holders for the applicable period; and (ii) second, to the holders of Common shares pro rata in accordance with the number of Common shares held by each such holder.

30.8 Allocation of Profit or Loss from Capital Transactions

For each taxable year or other relevant period, after adjusting each shareholder's Capital Account for all Capital Contributions and distributions during such taxable year or other relevant period, all allocations of Profit or Loss from operations pursuant to §30.7, and all special allocations pursuant to §30.9 for such taxable year or other relevant period, all Profits and Losses from Capital Transactions shall be allocated to the shareholders' Capital Accounts in a manner such that, as of the end of such taxable year or other relevant period, the Capital Account of each shareholder (which may have either a positive or negative balance) shall equal, as nearly as possible, (a) the amount of distributions that would be received by each such shareholder if the Company were liquidated and all of its assets were sold for their Adjusted Book Values, taking into account any adjustments thereto for such period, all liabilities of the Company were satisfied in full in cash according to their terms (limited for each nonrecourse liability to the Adjusted Book Value of the assets securing such liability), and all remaining amounts (after satisfaction of such liabilities) were distributed in full pursuant to §29.2, minus (b) the sum of such shareholder's share of Minimum Gain and Shareholder Minimum Gain and the amount, if any, such shareholder is obligated to

contribute to the capital of the Company as of the last day of such taxable year or other relevant period.

30.9 Special Allocations

(i) **Qualified Income Offset.** No shareholder shall be allocated Losses or deductions if the allocation (i) causes a shareholder to have an Adjusted Capital Account Deficit or (ii) increases a shareholder's Adjusted Capital Account Deficit. If a shareholder receives an allocation of Loss or deduction (or item thereof), or any distribution, which causes the shareholder to have an Adjusted Capital Account Deficit (or increases such a deficit) at the end of any taxable year, then all items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain) for that taxable year shall be allocated to that shareholder before any other allocation is made of Company items for that taxable year, in the amount and proportion required to eliminate the deficit as quickly as possible. This §30.9(i) is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulations promulgated under Code Section 704(b).

(ii) **Minimum Gain Chargeback.** Except as set forth in Regulations Section 1.704-2(f)(2), (3), (4) and (5), if, during any taxable year, there is a net decrease in Minimum Gain, each shareholder, prior to any other allocation pursuant to §30.7, §30.8 or this §30.9, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that shareholder's share of the net decrease of Minimum Gain, computed in accordance with Regulations Section 1.704-2(g). Allocations of gross income and gain pursuant to this §30.9(ii) shall be made first from gain recognized from the disposition of Company assets subject to Nonrecourse Liabilities to the extent of the Minimum Gain attributable to those assets, and thereafter, from a pro rata portion of the Company's other items of income and gain for the taxable year. It is the intent of the parties hereto that any allocation pursuant to this §30.9(ii) shall constitute a "minimum gain chargeback" under Regulations Section 1.704-2(f).

(iii) **Shareholder Minimum Gain Chargeback.** Notwithstanding any other provision of this §30.9 (except §30.9(ii)), except as otherwise provided in Regulations Section 1.704-2(i)(4), if there is a net decrease in Shareholder Minimum Gain attributable to a Shareholder Nonrecourse Debt during any taxable year, each shareholder who has a share of the Shareholder Minimum Gain attributable to such Shareholder Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such shareholder's share of the net decrease in Shareholder Minimum Gain attributable to such Shareholder Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each shareholder pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i)(4). This §30.9(iii) is intended to comply with the minimum gain chargeback requirement in such Section of the Regulations and shall be interpreted consistently therewith.

(iv) **Contributed Property and Book-Ups.** In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulations Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the

Company shall, solely for tax purposes, be allocated among the shareholders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its initial Adjusted Book Value at the date of contribution (or deemed contribution). If the Adjusted Book Value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Adjusted Book Value in the manner required under Code Section 704(c) and the Regulations thereunder.

(v) Code Section 754 Adjustment. To the extent an adjustment to the tax basis of any Company asset pursuant to Code Sections 734(b) or 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and the gain or loss shall be specially allocated to the shareholders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

(vi) Nonrecourse Deductions. Nonrecourse Deductions for a taxable year or other period shall be allocated among the shareholder in proportion to their Percentages.

(vii) Shareholder Loan Nonrecourse Deductions. Any Shareholder Loan Nonrecourse Deduction for any taxable year or other period shall be specially allocated to the shareholder who bears the risk of loss with respect to the loan to which the Shareholder Loan Nonrecourse Deduction is attributable in accordance with Regulations Section 1.704-2(i)(1).

(viii) Subsequent Allocations. Any special allocations of items of income, gain, loss, or deduction pursuant to §30.9(i), §30.9(ii), §30.9(iii), §30.9(v), §30.9(vi), or §30.9(vii) hereof shall be taken into account in computing subsequent allocations of Profits pursuant to §30.7, §30.8, and §30.9 so that the net amount of any items so allocated and the Profits, Losses and all other items allocated to each shareholder pursuant to §30.7, §30.8, and §30.9 shall, to the extent possible, be equal to the net amount that would have been allocated to each such shareholder pursuant to the provisions of §30.7, §30.8, and §30.9 if such special allocations had not been required.

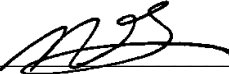
30.10 Authority of Board

Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the board; provided, however, that to the extent that the board does make distributions, such distributions shall be made in the proportions set forth in §29.1 and §29.2 hereof. The board is hereby authorized, upon the advice of the Company's tax counsel, to amend this Part 30 to comply with the Code and the Regulations promulgated under Code Section 704(b); provided, however, that no such amendment shall materially affect distributions to a shareholder without the shareholder's prior written consent.

30.11 Transfer of Shares

If any shares are transferred during any accounting period in compliance with the provisions of this Agreement, Profits, Losses, each item thereof and all other items attributable to such shares

for such period shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the board.

| Full name and signature of incorporator | Date of signing |
|--|------------------------------|
| EAT WELL INVESTMENT GROUP INC. Per:  _____ Authorized Signatory | _____ September 21 , 2021 |