

**ARTICLES  
OF  
AYR STRATEGIES INC.**

Incorporation number: C1210067

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## ARTICLE 1 INTERPRETATION

### Section 1.1 Definitions

In these Articles, the following words and phrases have the meanings set out beside them:

“**appropriate person**” has the meaning assigned in the Securities Transfer Act;

“**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;

“**Business Corporations 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;

“**Company**” means the company whose name is set out at the top of page 1, being the company which has adopted these Articles;

“**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;

“**legal personal representative**” means the personal or other legal representative of the shareholder;

“**Multiple Voting Shares**” means the multiple voting shares of the Company;

“**protected purchaser**” has the meaning assigned in the *Securities Transfer Act*;

“**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;

“**seal**” means the seal of the Company, if any;

“**Securities Act**” means the *Securities 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;

“**securities legislation**” means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; “**Canadian securities legislation**” means the securities legislation in any applicable province or territory of Canada and includes the Securities Act; and “**U.S. securities legislation**” means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;

“**Securities Transfer Act**” means the *Securities Transfer 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; and

“**Subordinate Voting Shares**” means the subordinate voting shares of the Company.

### Section 1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply

to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## **ARTICLE 2 SHARES AND SHARE CERTIFICATES**

### **Section 2.1 Authorized Share Structure**

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

### **Section 2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### **Section 2.3 Shareholder Entitled to Certificate or Acknowledgment**

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

### **Section 2.4 Delivery by Mail**

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 (including the Company's legal counsel or transfer agent) is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

### **Section 2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

- (1) If the Company is satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as it thinks fit:
  - (a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
  - (b) issue a replacement share certificate or acknowledgment, as the case may be.

### **Section 2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate**

- (1) If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:
  - (a) so requests before the Company or its transfer agent has notice that the share certificate has been acquired by a protected purchaser;



- (b) provides the Company and its transfer agent with an indemnity bond sufficient in the Company and its transfer agent's judgement to protect the Company and its transfer agent from any loss that the Company or its transfer agent may suffer by issuing a new certificate; and
- (c) satisfies any other reasonable requirements imposed by the Company or its transfer agent.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

### **Section 2.7 Recovery of New Share Certificate**

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

### **Section 2.8 Splitting Share Certificates**

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 represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

### **Section 2.9 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Sections 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

### **Section 2.10 Recognition of Trusts**

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.

## **ARTICLE 3 ISSUE OF SHARES**

### **Section 3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may allot, sell, issue and 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 issue prices (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.

### **Section 3.2 Commissions and Discounts**

The Company may pay at any time a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

### **Section 3.3 Brokerage**

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.

### **Section 3.4 Conditions of Issue**

- (1) Except as provided for by the *Business Corporations 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 Section 3.1.

### **Section 3.5 Share Purchase Warrants and Rights**

Subject to the *Business Corporations 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.

## **ARTICLE 4 SHARE REGISTERS**

### **Section 4.1 Central Securities Register**

- (1) The Company must maintain in British Columbia a central securities register as required by the *Business Corporations Act*. The directors may appoint:
  - (a) an agent to maintain the central securities register; and
  - (b) one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares.

The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

### **Section 4.2 Closing Register**

The Company must not at any time close its central securities register.

## **ARTICLE 5 SHARE TRANSFERS**

### **Section 5.1 Registering Transfers**

- (1) The Company must register a transfer of a share of the Company if either:
- (a) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:
    - (i) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
    - (ii) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
    - (iii) 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, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser (which may include a medallion or similar signature guarantee); or
  - (b) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

### **Section 5.2 Waivers of Requirements for Transfer**

The Company may waive any of the requirements set out in Section 5.1(1)(a) and any of the preconditions referred to in Section 5.1(1)(b).

### **Section 5.3 Form of Instrument of Transfer**

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 or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

### **Section 5.4 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

### **Section 5.5 Signing of Instrument of Transfer**

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, subject to the Company or its transfer agent requiring a medallion or similar signature guarantee and/or other evidence of authority, 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 but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

- (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.

#### **Section 5.6 Enquiry as to Title Not Required**

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, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

### **ARTICLE 6 TRANSMISSION OF SHARES**

#### **Section 6.1 Legal Personal Representative Recognized on Death**

In the 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 directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

#### **Section 6.2 Rights of Legal Personal Representative**

The legal personal representative of a shareholder has the 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 and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Section 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

### **ARTICLE 7 PURCHASE OF SHARES**

#### **Section 7.1 Company Authorized to Purchase or Otherwise Acquire Shares**

Subject to Section 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the *Business Corporations Act* and applicable securities legislation, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

#### **Section 7.2 No Purchase, Redemption or Other Acquisition When Insolvent**

- (1) 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.

**Section 7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares**

- (1) If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell 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.

**ARTICLE 8  
BORROWING POWERS**

- (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 they consider appropriate;
  - (c) guarantee the repayment of money by any other person or the performance of any 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.

**ARTICLE 9  
ALTERATIONS**

**Section 9.1 Alteration of Authorized Share Structure**

- (1) Subject to Section 9.2, the Company may by:
  - (a) a resolution of its board of directors
    - (i) 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;
    - (ii) 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;
    - (iii) alter the identifying name of any of its shares; and
    - (iv) subdivide or consolidate all or any of its unissued, or fully paid issued, shares.
  - (b) an ordinary resolution:

- (i) 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; and
- (ii) if the Company is authorized to issue shares of a class of shares with par value:
  - (A) decrease the par value of those shares; and
  - (B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares.
- (c) a special resolution, otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

## **Section 9.2 Special Rights and Restrictions**

- (1) The Company may by ordinary 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, unless any of those shares have been issued in which case the Company may do so only by special resolution; or
  - (b) vary or delete any special rights or restrictions attached to the shares of any class or series of unless any of those shares have been issued in which case the Company may do so only by special resolution.

## **Section 9.3 Change of Name**

The Company may by a resolution of its board of directors or ordinary resolution authorize an alteration of its Notice of Articles to change its name or adopt or change any translation of that name.

## **Section 9.4 Other Alterations**

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

# **ARTICLE 10 MEETINGS OF SHAREHOLDERS**

## **Section 10.1 Annual General Meetings**

The Company must, unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, hold its first annual general meeting following incorporation, amalgamation or continuation within 18 months after the date on which it was incorporated or otherwise created and 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, either in or outside British Columbia, as may be determined by the directors.

## **Section 10.2 Resolution Instead of Annual General Meeting**

If all the shareholders entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business required to be transacted at that annual general meeting, the meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Section 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.

### **Section 10.3 Calling and Location of Meetings of Shareholders**

The directors may, whenever they think fit, call a meeting of shareholders to be held at such time and place, either in or outside British Columbia, as may be determined by the directors.

### **Section 10.4 Notice for Meetings of Shareholders**

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 and for so long as the Company is a public company, 21 days; and
- (b) otherwise, 10 days.

### **Section 10.5 Record Date for Notice**

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 Business Corporations 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 and for so long as the Company is a public company, 21 days; and
- (b) otherwise, 10 days.

If no record date is set, it is 5:00 p.m. (Vancouver time) on the business day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

### **Section 10.6 Record Date for Voting**

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 *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5:00 p.m. (Vancouver time) 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.

### **Section 10.7 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting 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 or reduce the period of notice of such meeting. 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.

**Section 10.8 Notice of Special Business at Meetings of Shareholders**

- (1) If a meeting of shareholders is to consider special business within the meaning of Section 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.

**Section 10.9 Class Meetings and Series Meetings of Shareholders**

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

**Section 10.10 Electronic Meetings**

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

**ARTICLE 11  
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

**Section 11.1 Special Business**

- (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; and
- (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **Section 11.2 Special Majority**

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

### **Section 11.3 Quorum**

Subject to the special rights and restrictions attached to the shares of any class or series of shares and to Section 11.4, the quorum for the transaction of business at a meeting of shareholders is two shareholders who are present in person or represented by proxy and who represent at least 25% of the applicable class or series of shares.

### **Section 11.4 One Shareholder May Constitute Quorum**

- (1) 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.

### **Section 11.5 Other Persons May Attend**

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 and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, 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.

### **Section 11.6 Requirement of Quorum**

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.

### **Section 11.7 Lack of Quorum**

- (1) 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.

### **Section 11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Section 11.7(1)(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 constitute a quorum.

### **Section 11.9 Chair**

- (1) The following individuals are 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 first of the following individuals to agree to act as chair: the president, if any.

### **Section 11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, the chair of the board or president are not 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, one of the chief executive officer, the chief financial officer, a vice-president, the secretary or the Company's legal counsel may act as chair of the meeting and, failing them, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, 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.

### **Section 11.11 Adjournments**

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.

### **Section 11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting 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.

### **Section 11.13 Electronic Voting**

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of communications facilities.

### **Section 11.14 Decisions by Show of Hands or Poll**

- (1) Subject to the *Business Corporations Act*:
  - (a) for so long as any Multiple Voting Shares are outstanding, every motion put to a vote at a meeting of shareholders will be decided by a poll, unless the chair determines otherwise;
  - (b) if no Multiple Voting Shares are outstanding, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands

by means of electronic, telephonic or other communications facility, unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

#### **Section 11.15 Declaration of Result**

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 its functional equivalent) 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 Section 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

#### **Section 11.16 Motion Need Not be Seconded**

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.

#### **Section 11.17 Casting Vote**

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.

#### **Section 11.18 Manner of Taking Poll**

- (1) Subject to Section 11.19, 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.

#### **Section 11.19 Demand for Poll on Adjournment**

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

#### **Section 11.20 Chair Must Resolve Dispute**

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 their determination made in good faith is final and conclusive.

#### **Section 11.21 Casting of Votes**

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

**Section 11.22 No Demand for Poll on Election of Chair**

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

**Section 11.23 Demand for Poll Not to Prevent Continuance of Meeting**

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.

**Section 11.24 Retention of Ballots and Proxies**

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 at its records office, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

**ARTICLE 12  
VOTES OF SHAREHOLDERS**

**Section 12.1 Number of Votes by Shareholder or by Shares**

- (1) Subject to Section 25.2(1) and any other special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Section 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 is entitled, in respect of each share entitled to be voted on the matter and held by that shareholder, to that number of votes provided by these Articles or the *Business Corporations Act* and may exercise that vote either in person or by proxy.

**Section 12.2 Votes of Persons in Representative Capacity**

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.

**Section 12.3 Votes by Joint Holders**

- (1) 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, either 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.

**Section 12.4 Legal Personal Representatives as Joint Shareholders**

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

**Section 12.5 Representative of a Corporate Shareholder**

- (1) 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:
    - (i) 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 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
    - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
  - (b) if a representative is appointed under this Section 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.

**Section 12.6 When Proxy Provisions Do Not Apply to the Company**

Sections 12.9 and 12.12 do not apply to the Company if and for so long as it is a public company.

**Section 12.7 Appointment of Proxy Holders**

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 of the Company 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.

**Section 12.8 Alternate Proxy Holders**

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

**Section 12.9 When Proxy Holder Need Not Be Shareholder**

- (1) Subject to Section 12.6 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 Section 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;
- (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.

**Section 12.10 Deposit of Proxy**

- (1) 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
  - (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting. A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

**Section 12.11 Validity of Proxy Vote**

- (1) 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 at which the proxy is to be used; or
  - (b) by the chair of the meeting, before the vote is taken.

**Section 12.12 Form of Proxy**

- (1) Subject to Section 12.6, 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 if given in respect of all shares registered in the name of the shareholder):

Signed *[month, day, year]*

\_\_\_\_\_  
*[Signature of shareholder]*

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*[Name of shareholder-printed]*

**Section 12.13 Revocation of Proxy**

- (1) Every proxy may be revoked by an instrument in writing that is:
  - (a) received 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 at which the proxy is to be used; or
  - (b) provided, at the meeting, to the chair of the meeting.

**Section 12.14 Revocation of Proxy Must Be Signed**

- (1) An instrument referred to in Section 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 their 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 Section 12.5.

**Section 12.15 Production of Evidence of Authority to Vote**

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.

**Section 12.16 Chair May Determine Validity of Proxy.**

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Article 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

**ARTICLE 13  
DIRECTORS**

**Section 13.1 First Directors; Number of Directors**

The Company shall have a minimum of three and a maximum of 15 directors. The number of directors initially is equal to the number of first directors after the Company is first recognized under the *Business Corporations Act* and thereafter is the number within the minimum and maximum determined by the directors from time to time. If the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, or by the directors pursuant to Section 14.7.

**Section 13.2 Change in Number of Directors**

- (1) If the number of directors is set under Section 13.1:
  - (a) the shareholders may elect the directors needed to fill any vacancies in the board of directors up to that number; or

(b) the directors, subject to Section 14.7, may appoint directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

**Section 13.3 Directors' Acts Valid Despite Vacancy**

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

**Section 13.4 Qualifications of Directors**

A director is not required to hold a share in the capital of the Company as qualification for their office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

**Section 13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If they so decide, the remuneration, if any, of the directors will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

**Section 13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses they may incur in and about the business of the Company.

**Section 13.7 Special Remuneration for Directors**

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, or if any director is otherwise specially occupied in or about the Company's business, they may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that they may be entitled to receive.

**Section 13.8 Gratuity, Pension or Allowance on Retirement of Director**

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 their 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.

**ARTICLE 14  
ELECTION AND REMOVAL OF DIRECTORS**

**Section 14.1 Election at Annual General Meeting**

- (1) At every annual general meeting and in every unanimous resolution contemplated by Section 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 by the directors under these Articles; and
  - (b) the directors cease to hold office immediately before the election or appointment of directors under paragraph (a) but are eligible for re-election or re-appointment, subject to being nominated in accordance with Article 26.



**Section 14.2 Consent to be a Director**

- (1) 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 *Business Corporations 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 *Business Corporations Act*.

**Section 14.3 Failure to Elect or Appoint Directors**

- (1) 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 Section 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
  - (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Section 10.2, to elect or appoint any directors;
  - (c) then each director then in office continues to hold office until the earlier of:
    - (i) the date on which their successor is elected or appointed; and
    - (ii) the date on which they otherwise cease to hold office under the *Business Corporations Act* or these Articles.

**Section 14.4 Directors May Fill Casual Vacancies**

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

**Section 14.5 Remaining Directors Power to Act**

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 *Business Corporations Act*, for any other purpose.

**Section 14.6 Shareholders May Fill Vacancies**

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.

**Section 14.7 Additional Directors**

- (1) Notwithstanding Section 13.2, between annual general meetings or unanimous resolutions contemplated by Section 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Section 14.7 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 Section 14.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Section 14.1(1)(a), but is eligible for re-election or re-appointment, subject to being nominated in accordance with Article 26.

#### **Section 14.8 Ceasing to be a Director**

(1) 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 Sections 14.9 or 14.10.

#### **Section 14.9 Removal of Director by Shareholders**

The Company may remove any director before the expiration of their 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.

#### **Section 14.10 Removal of Director by Directors**

The directors may remove any director before the expiration of their term of office if the director is convicted of an indictable offence, convicted by a court of an offence under or found in breach and sanctioned by a securities regulatory authority of any Canadian or United States securities legislation, 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.

### **ARTICLE 15 POWERS AND DUTIES OF DIRECTORS**

#### **Section 15.1 Powers of Management**

The directors must, subject to the *Business Corporations 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 *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

#### **Section 15.2 Appointment of Attorney of Company**

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 them.

## **ARTICLE 16 DISCLOSURE OF INTEREST OF DIRECTORS**

### **Section 16.1     Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations 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 *Business Corporations Act*.

### **Section 16.2     Restrictions on Voting by Reason of Interest**

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.

### **Section 16.3     Interested Director Counted in Quorum**

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.

### **Section 16.4     Disclosure of Conflict of Interest or Property**

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 *Business Corporations Act*.

### **Section 16.5     Director Holding Other Office in the Company**

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 their office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

### **Section 16.6     No Disqualification**

No director or intended director is disqualified by their 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 behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

### **Section 16.7     Professional Services by Director or Officer**

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.

**Section 16.8 Director or Officer in Other Corporations**

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 the director or officer is not accountable to the Company for any remuneration or other benefits received by them as director, officer or employee of, or from their interest in, such other person.

**ARTICLE 17  
PROCEEDINGS OF DIRECTORS**

**Section 17.1 Meetings of Directors**

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.

**Section 17.2 Voting at Meetings**

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.

**Section 17.3 Chair of Meetings**

- (1) 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.

**Section 17.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone 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 may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Section 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

**Section 17.5 Calling of Meetings**

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.

### **Section 17.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Section 17.1, not less than 48 hours notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Section 23.1.

### **Section 17.7 When Notice Not Required**

- (1) It is not necessary to give notice of a meeting of the directors to a 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, as the case may be, has waived notice of the meeting.

### **Section 17.8 Meeting Valid Despite Failure to Give Notice**

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

### **Section 17.9 Waiver of Notice of Meetings**

- (1) Any director may send to the Company a document signed by them 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, unless the director otherwise requires by notice in writing to the Company, 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.
- (2) Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that 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.

### **Section 17.10 Quorum**

The quorum necessary for the transaction of the business of the directors shall be a majority of the board of directors or such other number as the directors may determine from time to time. If the number of directors is set at one or two, quorum is deemed to be set at one director, and that director may constitute a meeting.

### **Section 17.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations 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.

### **Section 17.12 Consent Resolutions in Writing**

- (1) 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 they have or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

A consent in writing under this Section may be by signed document, fax, e-mail 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 Section 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 *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **ARTICLE 18 EXECUTIVE AND OTHER COMMITTEES**

### **Section 18.1 Appointment and Powers of Executive Committee**

- (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.

### **Section 18.2 Appointment and Powers of Other Committees**

- (1) The directors may, by resolution:
  - (a) appoint one or more committees (other than the executive committee) consisting of the director or directors and, if applicable, officer or officers that they consider appropriate;
  - (b) delegate to a committee appointed under paragraph (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; and
    - (iv) the power to appoint or remove officers appointed by the directors; and
  - (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **Section 18.3 Obligations of Committees**

- (1) In the exercise of the powers delegated to a committee appointed under Sections 18.1 or 18.2, the committee 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.

**Section 18.4 Powers of Board**

- (1) The directors may, at any time, with respect to a committee appointed under Sections 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.

**Section 18.5 Committee Meetings**

- (1) Subject to Section 18.3(1)(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 Sections 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.

**ARTICLE 19  
OFFICERS**

**Section 19.1 Directors May Appoint Officers**

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.

**Section 19.2 Functions, Duties and Powers of Officers**

- (1) 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.

### **Section 19.3 Qualifications**

An officer is not required to hold a share in the capital of the Company as qualification for their office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as an officer. 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.

### **Section 19.4 Remuneration and Terms of Appointment**

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 think fit and are subject to termination at the pleasure of the directors, and an officer, in addition to such remuneration, may receive, after they cease to hold such office or leaves the employment of the Company, a pension or gratuity.

## **ARTICLE 20 INDEMNIFICATION**

### **Section 20.1 Definitions**

(1) In this Article 21:

- (a) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director of the Company (an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company:
  - (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;
- (c) “**expenses**” has the meaning set out in the *Business Corporations Act*.

### **Section 20.2 Mandatory Indemnification of Directors and Officers and Former Directors and Officers**

The Company must indemnify a director, officer, former director or officer of the Company and their heirs and legal personal representatives, as set out in the *Business Corporations Act*, 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 director, officer, former director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this Section 20.2.

### **Section 20.3 Mandatory Advancement of Expenses**

The Company must pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of that proceeding but the Company must first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by the *Business Corporations Act*, the eligible party will repay the amounts advanced.

### **Section 20.4 Indemnification of Other Persons**

The Company may indemnify any other person in accordance with the *Business Corporations Act*.



**Section 20.5 Non-Compliance with the *Business Corporations Act***

The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which they are entitled under this Part.

**Section 20.6 Company May Purchase Insurance**

(1) The Company may purchase and maintain insurance for the benefit of any person (or their heirs or legal personal representatives) who:

- (a) is or was a director, officer, employee or agent of the Company;
- (b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by them as such director, officer, employee or agent or person who holds or held such equivalent position.

**ARTICLE 21  
DIVIDENDS**

**Section 21.1 Payment of Dividends Subject to Special Rights**

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

**Section 21.2 Declaration of Dividends**

The directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

**Section 21.3 No Notice Required**

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

**Section 21.4 Record Date**

The directors may 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. If no record date is set, the record date is 5:00 p.m. (Vancouver time) on the date on which the directors pass the resolution declaring the dividend.

**Section 21.5 Manner of Paying Dividend**

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

**Section 21.6 Settlement of Difficulties**

- (1) If any difficulty arises in regard to a distribution under Section 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 cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made 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.

**Section 21.7 When Dividend Payable**

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

**Section 21.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

**Section 21.9 Receipt by Joint Shareholders**

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.

**Section 21.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

**Section 21.11 Fractional Dividends**

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.

**Section 21.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by electronic transfer, if so authorized by the shareholder, or by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the 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 or the forwarding by electronic transfer 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.

**Section 21.13 Capitalization of Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any 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 surplus or any part of the surplus.

**ARTICLE 22**  
**DOCUMENTS, RECORDS AND REPORTS**

**Section 22.1 Recording of Financial Affairs**

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 *Business Corporations Act*.

**Section 22.2 Inspection of Accounting Records**

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.

**ARTICLE 23**  
**NOTICES**

**Section 23.1 Method of Giving Notice**

- (1) Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:
- (a) prepaid 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) fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
  - (d) e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
  - (e) physical delivery to the intended recipient;
  - (f) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or
  - (g) as otherwise permitted by applicable securities legislation.

**Section 23.2 Deemed Receipt of Mailing**

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Section 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays (in Vancouver) excepted, following the date of mailing. A record that is delivered to a person or their applicable address is deemed to be received by the person on receipt by that person or delivery to that address. A record that is sent to a person by fax or e-mail is deemed to be received by the person on transmission if sent during business hours at the place of intended receipt by that person and, if not sent during their business hours, on the next business day of the place of intended receipt of that person. A record that is delivered in accordance with Section 23.1(1)(f) is deemed to be received by the person on the day such written notice is sent.

**Section 23.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required, and sent as permitted, by Section 23.1 is conclusive evidence of that fact.

**Section 23.4 Notice to Joint Shareholders**

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

**Section 23.5 Notice to Trustees**

- (1) 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 paragraph 23.5(1)(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.

**ARTICLE 24  
SEAL**

**Section 24.1 Who May Attest Seal**

- (1) Except as provided in Sections 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.

#### **Section 24.2 Sealing Copies**

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 Section 24.1, the impression of the seal may be attested by the signature of any director or officer.

#### **Section 24.3 Mechanical Reproduction of Seal**

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 *Business Corporations 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 the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary treasurer 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.

### **ARTICLE 25 SPECIAL RIGHTS AND RESTRICTIONS**

#### **Section 25.1 Subordinate Voting Shares**

- (1) An unlimited number of Subordinate Voting Shares, without nominal or par value, are authorized for issuance, having attached thereto the special rights and restrictions as set forth below:

(a) *Voting Rights.*

Holders of Subordinate Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Subordinate Voting Shares shall be entitled to one vote in respect of each Subordinate Voting Share held.

Except as otherwise provided in these Articles or except as provided in the *Business Corporations Act*, Subordinate Voting Shares and Multiple Voting Shares are equal in all respects and shall vote together as if they were shares of a single class. In connection with any Change of Control Transaction requiring approval of the holders of Subordinate Voting Shares and Multiple Voting Shares under the *Business Corporations Act*, holders of Subordinate Voting Shares and Multiple Voting Shares shall be treated equally and identically, on a per share basis, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of outstanding Subordinate Voting Shares or their proxyholders in respect of a resolution approving such Change of Control Transaction, voting separately as a class at a meeting of the holders of that class called and held for such purpose.

For the purpose of these Articles, a “**Change of Control Transaction**” means an amalgamation, arrangement, recapitalization, business combination or similar transaction of the Company, other than an amalgamation, arrangement, recapitalization, business combination or similar transaction that would result in (i) the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the continuing entity or its direct or indirect parent) more than fifty percent (50%) of the total voting power of the voting securities of the Company, the continuing entity or its direct or indirect parent, and more than fifty percent (50%) of the

total number of outstanding shares of the Company, the continuing entity or its direct or indirect parent, in each case as outstanding immediately after such transaction, and (ii) the shareholders of the Company immediately prior to the transaction owning voting securities of the Company, the continuing entity or its direct or indirect parent immediately following the transaction in substantially the same proportions (vis-a-vis each other) as such shareholders owned the voting securities of the Company immediately prior to the transaction (provided that in neither event shall the exercise of any exchangeable shares of a subsidiary of the Company that are exchangeable into shares of the Company be taken into account in such determination).

Notwithstanding the provisions of the second paragraph of this Section 25.1(1)(a), the holders of Subordinate Voting Shares shall be entitled to vote as a separate class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of these Articles which would: (i) adversely affect the rights or special rights of the holders of Subordinate Voting Shares, (including an amendment to the terms of these Articles which provide that any Multiple Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Subordinate Voting Shares); or (ii) affect the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis; or (iii) create any class or series of shares ranking equal to or senior to the Subordinate Voting Shares; and in each case such alteration, repeal or amendment shall not be effective unless a resolution in respect thereof is approved by a majority of the votes cast by holders of outstanding Subordinate Voting Shares.

*(b) Alteration to Rights of Subordinate Voting Shares.*

As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution alter or amend these Articles if the result would (i) prejudice or interfere with any right or special right attached to the Subordinate Voting Shares, or (ii) affect the rights or special rights of holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis as provided herein.

*(c) Dividends.*

Holders of Subordinate Voting Shares shall be entitled to receive, as and when declared by the directors, dividends in cash or property of the Company. No dividend will be declared or paid on the Multiple Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on a per share basis) on the Subordinate Voting Shares. In the event of the payment of a dividend in the form of shares, holders of Subordinate Voting Shares shall receive Subordinate Voting Shares, unless otherwise determined by the Board of Directors of the Company.

*(d) Liquidation, Dissolution or Winding-Up.*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Subordinate Voting Shares, be entitled to participate ratably in the remaining property of the Company along with all holders of Multiple Voting Shares and other holders of Subordinate Voting Shares (on a per share basis).

*(e) Rights to Subscribe; Pre-Emptive Rights.*

The holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of shares, or bonds, debentures or other securities of the Company now or in the future.

*(f) Subdivision or Consolidation.*

No subdivision or consolidation of the Subordinate Voting Shares shall occur unless, simultaneously, the Multiple Voting Shares are subdivided or consolidated or otherwise adjusted so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Section 25.1(1)(g), the Subordinate Voting Shares cannot be converted into any other class of shares.

(g) *Conversion of Subordinate Voting Shares Upon an Offer.*

(i) For the purposes of this Section 25.1:

- (A) “**Affiliate**” has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced;
- (B) “**Associate**” has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced;
- (C) “**Conversion Period**” means the period of time commencing on the eighth day after the Offer Date and terminating on the Expiry Date;
- (D) “**Converted Shares**” means Multiple Voting Shares resulting from the conversion of Subordinate Voting Shares into Multiple Voting Shares pursuant to subparagraph (ii);
- (E) “**Exclusionary Offer**” means an offer to purchase Multiple Voting Shares that:
  - (i) is a General Offer; and
  - (ii) is not made concurrently with an offer to purchase Subordinate Voting Shares that is identical to the offer to purchase Multiple Voting Shares in terms of price per share and percentage of outstanding shares to be taken up exclusive of shares owned immediately prior to the offer by the Offeror, and in all other material respects, and that has no condition attached other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares;

and for the purposes of this definition, if an offer to purchase Multiple Voting Shares is a General Offer but not an Exclusionary Offer, the varying of any term of such offer shall be deemed to constitute the making of a new offer unless a variation identical in all material respects concurrently is made to the corresponding offer to purchase Subordinate Voting Shares;

- (F) “**Expiry Date**” means the last date on which holders of Multiple Voting Shares may accept an Exclusionary Offer;
- (G) “**General Offer**” means an offer to purchase Multiple Voting Shares that must, by reason of applicable securities legislation or the requirements of any stock exchange on which the Multiple Voting Shares are listed, be made to all or substantially all holders of Multiple Voting Shares who are in a province of Canada to which any such legislation or requirement applies (assuming that the offeree was resident in Ontario);
- (H) “**Offer Date**” means the date on which an Exclusionary Offer is made;
- (I) “**Offeror**” means a Person that makes an offer to purchase Multiple Voting Shares (the “**bidder**”), and includes any Associate or Affiliate of the bidder or

any Person that is disclosed in the offering document to be acting jointly or in concert with the bidder,

(J) “**Person**” has the meaning assigned by the *Securities Act* (Ontario) as, from time to time, amended, re-enacted or replaced and includes a company or other body corporate wherever or however incorporated; and

(K) “**Transfer Agent**” means the transfer agent at the relevant time for the Multiple Voting Shares (and if there is no such transfer agent, “**Transfer Agent**” means the Company);

(ii) subject to subparagraph (v), if an Exclusionary Offer is made, each outstanding Subordinate Voting Share shall be convertible into one (1) Multiple Voting Share at the option of each holder of Subordinate Voting Shares during the Conversion Period. The conversion right may be exercised by notice in writing given to the Transfer Agent prior to the Expiry Date accompanied by the share certificate or certificates representing the Subordinate Voting Shares which the holder desires to convert, together with any letter of transmittal or other documentation required by the Transfer Agent or pursuant to the Exclusionary Offer, in either case in duly executed or completed form, and such notice shall be executed by such holder, or by his attorney duly authorized in writing, and shall specify the number of Subordinate Voting Shares which the holder desires to have converted. The Company shall pay any governmental stamp, transfer or similar tax (but for greater certainty, no income or capital gains tax) imposed on or in respect of such conversion. If less than all of the Subordinate Voting Shares represented by any share certificate are to be converted, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Subordinate Voting Shares represented by the original share certificate which are not to be converted. Upon any conversion of any shares of any class into shares of another class, the Company shall adjust the capital accounts maintained for the respective classes of shares as provided in the *Business Corporations Act*;

(iii) an election by a holder of Subordinate Voting Shares to exercise the conversion right provided for in subparagraph (ii) shall be deemed to also constitute irrevocable elections by such holder (a) to deposit the Converted Shares pursuant to the Exclusionary Offer (subject to such holder’s right to subsequently withdraw the shares from the offer), and (b) to exercise the right to convert back into Subordinate Voting Shares all Converted Shares (on a 1:1 basis) in respect of which such holder exercises his right of withdrawal from the Exclusionary Offer or which are not otherwise ultimately taken up under the Exclusionary Offer. Any conversion of Converted Shares back into Subordinate Voting Shares in respect of which the holder exercises his right of withdrawal from the Exclusionary Offer shall become effective at the time such right of withdrawal is exercised. If the right of withdrawal is not exercised, any conversion of Converted Shares back into Subordinate Voting Shares pursuant to a deemed election shall become effective:

(A) for Converted Shares not taken up in accordance with the terms of an Exclusionary Offer which is nonetheless completed, on the day that the Offeror has taken up and paid for all shares to be acquired by the Offeror under the Exclusionary Offer; and

(B) in respect of an Exclusionary Offer which is abandoned or withdrawn, at the time at which the Exclusionary Offer is abandoned or withdrawn;

(iv) no share certificates representing Converted Shares shall be delivered to the holders of such shares before such shares are deposited pursuant to the Exclusionary Offer. The Transfer Agent, on behalf of the holders of the Converted Shares, shall deposit pursuant



to the Exclusionary Offer the certificates representing all Subordinate Voting Shares for which the certificates, notices and other documents have been duly delivered to the Transfer Agent pursuant to subparagraph (ii) and shall advise the Offeror of the extent that such certificates so deposited represent Multiple Voting Shares of the Company. Upon completion of the Exclusionary Offer, the Transfer Agent shall deliver to the holders of the shares purchased pursuant to the Exclusionary Offer all consideration paid by the Offeror pursuant to the Exclusionary Offer. If Converted Shares are converted back into Subordinate Voting Shares pursuant to subparagraph (iii), the Transfer Agent shall deliver to the holders entitled thereto share certificates representing the Subordinate Voting Shares resulting from the conversion. Provided however that if no Subordinate Voting Shares of a shareholder were acquired by the Offeror pursuant to the Exclusionary Offer, the Transfer Agent shall return the original share certificate (if not duly endorsed for transfer to a named transferee) evidencing such Subordinate Voting Shares tendered pursuant to subparagraph (ii) in satisfaction of its obligations under this subparagraph (iv). The Company shall make all arrangements with the Transfer Agent necessary or desirable to give effect to this subparagraph (iv);

(v) subject to subparagraph (vi), the conversion right provided for in subparagraph (ii) shall not come into effect if:

(A) prior to the time at which the Exclusionary Offer is made there is or has been delivered to the Transfer Agent and to the Secretary of the Company a certification or certifications signed by or on behalf of one or more shareholders of the Company owning in the aggregate, as at the time the Exclusionary Offer is made (more than 50% of the then outstanding Multiple Voting Shares, exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror), which certification or certifications shall confirm, in the case of each such shareholder that made such certification, that such shareholder shall not:

- (i) accept any Exclusionary Offer without giving the Transfer Agent and the Secretary of the Company written notice of such acceptance or intended acceptance at least 7 days prior to the Expiry Date;
- (ii) make any Exclusionary Offer;
- (iii) act jointly or in concert with any Person that makes any Exclusionary Offer, or
- (iv) transfer any Multiple Voting Shares, directly or indirectly, during the time any Exclusionary Offer is outstanding without giving the Transfer Agent and the Secretary of the Company written notice of such transfer or intended transfer at least 7 days prior to the Expiry Date, which notice shall state, if known to the transferor, the names of the transferees and the number of Multiple Voting Shares transferred or to be transferred to each transferee; or

(B) within 7 days after the Offer Date there is delivered to the Transfer Agent and to the Secretary of the Company a certification or certifications signed by or on behalf of one or more shareholders of the Company owning in the aggregate more than 50% of the then outstanding Multiple Voting Shares (exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror), which certification or certifications shall confirm, in the case of each shareholder who made such certification:

- (i) the number of Multiple Voting Shares owned by the shareholder;

- (ii) that such shareholder is not making the Exclusionary Offer and is not an Associate or Affiliate of, or acting jointly or in concert with, the Person making such offer;
  - (iii) that such shareholder shall not accept the Exclusionary Offer, including any varied form of the offer, without giving the Transfer Agent and the Secretary of the Company written notice of such acceptance or intended acceptance at least 7 days prior to the Expiry Date; and
  - (iv) that such shareholder shall not transfer any Multiple Voting Shares, directly or indirectly, prior to the Expiry Date without giving the Transfer Agent and the Secretary of the Company written notice of such transfer or intended transfer at least 7 days prior to the Expiry Date, which notice shall state, if known to the transferor, the names of the transferees and the number of Multiple Voting Shares transferred or to be transferred to each transferee if this information is known to the transferor;
- (vi) if a notice (the “**Notice**”) referred to in sub-clause (v)(A)(i), (v)(A)(iv), (v)(B)(iii) or (v)(B)(iv) is given to the Transfer Agent and to the Secretary of the Company and the conversion right provided for in subparagraph (ii) has not, because of the giving of such Notice, come into effect, the Company shall, either forthwith upon receipt of the Notice or forthwith after the seventh day following the Offer Date, whichever is later, make a good faith determination as to whether there are subsisting certifications that comply with either clause (v)(A) or (v)(B) from shareholders of the Company who own in the aggregate more than 50% of the then outstanding Multiple Voting Shares, exclusive of shares owned immediately prior to the Exclusionary Offer by the Offeror. If the Company determines that there are not such subsisting certifications, subparagraph (v) shall cease to apply and the conversion right provided for in subparagraph (ii) shall be in effect for the remainder of the Conversion Period;
- (vii) as soon as reasonably possible after the seventh day after the Offer Date, the Company shall send to each holder of Subordinate Voting Shares a written notice advising the holders as to whether they are entitled to convert their Subordinate Voting Shares into Multiple Voting Shares and the reasons therefor. If such notice discloses that they are not so entitled, but it is subsequently determined that they are so entitled by virtue of subparagraph (vi) or otherwise, the Company shall forthwith send another notice to them advising them of that fact and the reasons therefor;
- (viii) if a notice referred to in subparagraph (vii) discloses that the conversion right set forth in Section 25.1(1)(g)(ii) has come into effect, the notice shall:
- (A) include a description of the procedure to be followed to effect the conversion and to have the Converted Shares tendered under the Exclusionary Offer;
  - (B) include the information set out in subparagraph (iii) hereof; and
  - (C) be accompanied by a copy of the Exclusionary Offer and all other materials sent to any holders of Multiple Voting Shares in respect of such offer; and as soon as reasonably possible after any additional material, including any notice of variation, is sent to any holders of Multiple Voting Shares in respect of such offer, the Company shall send a copy of such additional materials to each holder of Subordinate Voting Shares;

- (ix) prior to or forthwith after sending any notice referred to in subparagraph (vii), the Company shall cause a news release to be issued to a Canadian national news service, describing the contents of the notice; and
- (x) references to share certificates shall include, as applicable, the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System), with appropriate changes.

## **Section 25.2 Multiple Voting Shares**

- (1) An unlimited number of Multiple Voting Shares, without nominal or par value, are authorized for issuance, having attached thereto the special rights and restrictions as set forth below:

*(a) Voting Rights.*

Holders of Multiple Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to 25 votes in respect of each Multiple Voting Share held.

Except as otherwise provided in these Articles or except as provided in the *Business Corporations Act*, Subordinate Voting Shares and Multiple Voting Shares are equal in all respects and shall vote together as if they were shares of a single class. In connection with any Change of Control Transaction requiring approval of the holders of Subordinate Voting Shares and Multiple Voting Shares under the *Business Corporations Act*, holders of Subordinate Voting Shares and Multiple Voting Shares shall be treated equally and identically, on a per share basis, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of outstanding Multiple Voting Shares or their proxyholders in respect of a resolution approving such Change of Control Transaction, voting separately as a class at a meeting of the holders of that class called and held for such purpose.

*(b) Alteration to Rights of Multiple Voting Shares.*

As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution alter or amend these Articles if the result would: (i) prejudice or interfere with any right or special right attached to the Multiple Voting Shares; or (ii) affect the rights or special rights of the holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis as provided herein.

*(c) Dividends.*

Holders of Multiple Voting Shares shall be entitled to receive, as and when declared by the directors, dividends in cash or property of the Company. No dividend will be declared or paid on the Subordinate Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on a per share basis) on the Multiple Voting Shares. In the event of the payment of a dividend in the form of shares, holders of Multiple Voting Shares shall receive Multiple Voting Shares, unless otherwise determined by the Board of Directors of the Company.

*(d) Liquidation, Dissolution or Winding-Up.*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares shall, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Multiple Voting Shares, be entitled to participate ratably in the remaining property of the Company along with all other holders of Multiple Voting Shares and Subordinate Voting Shares (on a per share basis).

(e) *Rights to Subscribe; Pre-Emptive Rights.*

The holders of Multiple Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of shares, or bonds, debentures or other securities of the Company now or in the future.

(f) *Conversion.*

Holders of Multiple Voting Shares shall have conversion rights as follows (the “**Conversion Rights**”):

(i) Right to Convert.

Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for such shares, into one (1) fully paid and non-assessable Subordinate Voting Share.

(ii) Automatic Conversion.

(A) Upon the date that is 60 months from the date of first issuance of a Multiple Voting Share, each Multiple Voting Share shall be automatically converted without any action on the part of the holder into one (1) fully paid and non-assessable Subordinate Voting Share.

(B) Upon the first date that any Multiple Voting Share shall be held by a Person other than by a Permitted Holder, the Permitted Holder which held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights under Section 25.2(1)(f)(i) to convert such Multiple Voting Share into one fully paid and non-assessable Subordinate Voting Share.

(C) Upon the first date that the aggregate number of Multiple Voting Shares held by all Permitted Holders is reduced to a number which is less than 33 1/3% of the aggregate number of Multiple Voting Shares held by all Permitted Holders on the date of first issuance of the Multiple Voting Shares, each Permitted Holder shall automatically be deemed, without further action, to have exercised his, her or its rights under Section 25.2(1)(f)(i) to convert all Multiple Voting Shares held by such Permitted Holder into an equal number of fully paid and non-assessable Subordinate Voting Shares.

(D) A Multiple Voting Share that is converted into Subordinate Voting Shares as provided for in Section 25.2(1)(f)(ii)(A), Section 25.2(1)(f)(ii)(B) or Section 25.2(1)(f)(ii)(C) will automatically be cancelled.

(E) For the purposes hereof:

(i) “**Members of the Immediate Family**” means with respect to any individual, each parent (whether by birth or adoption), spouse or child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned persons, and each legal representative of such individual or of any aforementioned persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent

tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such person is legally married to such individual, lives in a civil union with such individual or is the common law partner of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

- (ii) **“Permitted Holders”** means (a) Jonathan Sandelman, Charles Miles or Kamaldeep Thindal and any Members of the Immediate Family of any of them, (b) Mercer Park L.P., (c) Mercer Park CB, L.P., and (d) any person controlled, directly or indirectly by one or more of the persons referred to in clause (a), (b) or (c) above; and
- (iii) **“Person”** has the meaning assigned by the *Securities Act* (British Columbia) as, from time to time, amended, re-enacted or replaced and includes a company or other body corporate wherever or however incorporated.

(iii) Mechanics of Conversion.

Before any holder of Multiple Voting Shares shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for Subordinate Voting Shares or the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System) administered by any applicable depository or transfer agent of the Company, and shall give written notice to the Company at its head office, of the election to convert the same (each, a **“Conversion Notice”**) and the Subordinate Voting Shares resulting therefrom shall be registered in the name of the registered holder of the Multiple Voting Shares converted or, subject to payment by the registered holder of any stock transfer or applicable taxes and compliance with any other reasonable requirements of the Company in respect of such transfer, in such name or names as such registered holder may direct in writing. Upon receipt of such notice and certificate or certificates and, as applicable, compliance with such other requirements, the Company shall (or shall cause its transfer agent to), at its expense, as soon as practicable thereafter, remove or cause the removal of such holder from the register of holders in respect of the Multiple Voting Shares for which the conversion right is being exercised, add the holder (or any person or persons in whose name or names such converting holder shall have directed the resulting Subordinate Voting Shares to be registered) to the securities register of holders in respect of the resulting Subordinate Voting Shares, cancel or cause the cancellation of the certificate or certificates representing such Multiple Voting Shares and issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates or the equivalent in any non-certificated inventory system (such as, for example, a Direct Registration System) administered by any applicable depository or transfer agent of the Company, representing the Subordinate Voting Shares issued upon the conversion of such Multiple Voting Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Multiple Voting Shares to be converted, and the person or persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares as of such date. If less than all of the Multiple Voting Shares represented by any certificate are to be converted, the holder shall be entitled to receive a new certificate representing the Multiple Voting Shares represented by the original certificate which are not to be converted. A Multiple Voting Share that is converted into Subordinate Voting Shares as provided for in this Section 25.2(1)(f)(iii) will automatically be cancelled.

(iv) Effect of Conversion.

All Multiple Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion (the “**Conversion Time**”), except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor.

(g) *Subdivision or Consolidation.*

No subdivision or consolidation of the Multiple Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares are subdivided or consolidated or otherwise adjusted so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Section 25.2(1)(f), the Multiple Voting Shares cannot be converted into any other class of shares.

(h) *Transfer of Multiple Voting Shares.*

Except in accordance with Sections 2.3 or 2.8 of the Coattail Agreement dated the same date as the Multiple Voting Shares are first issued or as expressly provided herein, including upon conversion into Subordinate Voting Shares, no Multiple Voting Share may be sold, transferred, assigned, pledged or otherwise disposed of without the written consent of the directors, and the directors are not required to give any reason for refusing to consent to any such sale, transfer or disposition.

(i) *Share Superior to Multiple Voting Shares*

The Company may take no action which would authorize or create shares of any class or series having preferences superior to or on a parity with the Multiple Voting Shares without the consent of the holders of a majority of the outstanding Multiple Voting Shares expressed by special separate resolution. At any meeting of holders of Multiple Voting Shares called to consider such a special separate resolution, each Multiple Voting Share will entitle the holder to one (1) vote and each fraction of a Multiple Voting Share shall entitle the holder to the corresponding fraction of one (1) vote.

**Section 25.3 Rights, Privileges, Restrictions and Conditions Applicable to Subordinate Voting Shares – Redemption Provisions**

**Redemption**

(1) For the purposes of this Section 25.3, the following terms will have the meaning specified below:

“**Applicable Price**” means a price per Share determined by the Board, but not less than 95% of the lesser of: (i) the closing price of the Subordinate Voting Shares on the Exchange (or the then principal marketplace on which the Subordinate Voting Shares are listed or quoted for trading) on the trading day immediately prior to the closing of the Redemption or Transfer (or the average of the last bid and last asking prices if there was no trading on the specified date); and (ii) the five-day volume weighted average price of the Subordinate Voting Shares on the Exchange (or the then principal marketplace on which the Subordinate Voting Shares are listed or quoted for trading) for the five trading days immediately prior to the closing of the Redemption or Transfer (or the average of the last bid and last asking prices if there was no trading on the specified dates). Notwithstanding the foregoing, if the Subordinate Voting Shares are not traded or quoted for trading on the exchange or any other marketplace, the Applicable Price may be determined by the Board in its sole discretion;

“**Board**” means the board of directors of the Company;

“**Business**” means the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products, including in the United States or elsewhere, which include the owning and operating of cannabis licenses;

“**Closing Market Price**” shall be: (i) an amount equal to the closing price of the Subordinate Voting Shares on the trading day immediately prior to the closing of the Redemption or Transfer or exchange if there was a trade on the specified date and the applicable exchange or market provides a closing price; or (ii) an amount equal to the average of the last bid and last asking prices if there was no trading on the applicable date;

“**Determination Date**” means the date on which the Company provides written notice to any shareholder that the Board has determined that such shareholder is an Unsuitable Person;

“**Exchange**” means the NEO Aequitas Exchange or any other stock exchange on which the Subordinate Voting Shares are listed;

“**Governmental Authority**” or “**Governmental Authorities**” means any United States or foreign, federal, provincial, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority) and any Exchange;

“**Licenses**” means all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued by a Governmental Authority to or for the benefit of the Company or any affiliate required for, or relating to, the conduct of the Business;

“**Multiple Voting Shares**” means the multiple voting shares of the Company;

“**Ownership**” (and derivatives thereof) means (i) ownership of record as evidenced in the Company’s central securities register, (ii) “**beneficial ownership**” as defined in Section 1 of the *Business Corporations Act*, or (iii) the power to exercise control or direction over a security;

“**Person**” means an individual, partnership, corporation, company, limited or unlimited liability company, trust or any other entity;

“**Redemption**” has the meaning ascribed thereto in Section 25.3(8);

“**Redemption Date**” means the date on which the Company will redeem and pay for the Shares pursuant to Section 25.3. The Redemption Date will be not less than thirty (30) Trading Days following the date of the Redemption Notice unless a Governmental Authority requires that the Shares be redeemed as of an earlier date, in which case, the Redemption Date will be such earlier date and if there is an outstanding Redemption Notice, the Company will issue an amended Redemption Notice reflecting the new Redemption Date forthwith;

“**Redemption Notice**” has the meaning ascribed thereto in Section 25.3(9);

“**Significant Interest**” means Ownership of five percent (5%) or more of all of the issued and outstanding shares of the Company, including through acting jointly or in concert with another shareholder, or such other number of Shares as is determined by the Board from time to time;

“**Shares**” refers to Subordinate Voting Shares and/or Multiple Voting Shares of the Company, as applicable;

“**Subject Shareholder**” means a person, a group of persons acting jointly or in concert or a group of persons who the Board reasonably determines are acting jointly or in concert;

“**Subordinate Voting Shares**” means the subordinate voting shares of the Company;

“**Trading Day**” means a day on which trades of the Shares are executed on the Exchange or any other stock exchange on which the Shares are listed or quoted for trading;

“**Transfer**” has the meaning ascribed thereto in Section 25.3(8);

“**Transfer Date**” means the date on which a Transfer of Shares required by the Company is required to be completed by the Company;

“**Transfer Notice**” has the meaning ascribed thereto in Section 25.3(12); and

“**Unsuitable Person**” means:

- (i) any person (including a Subject Shareholder) with a Significant Interest who a Governmental Authority granting the Licenses has determined to be unsuitable to own Shares;
  - (ii) any person (including a Subject Shareholder) with a Significant Interest whose ownership of Shares may result in the loss, suspension or revocation (or similar action) with respect to any Licenses or in the Company or any affiliate being unable to obtain any new Licenses in the normal course, including, but not limited to, as a result of such person’s failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a Governmental Authority, all as determined by the Board; or
  - (iii) who have not been determined by the applicable Governmental Authority to be an acceptable person or otherwise have not received the requisite consent of such Governing Authority to own the Shares within a reasonable period of time acceptable to the Board or prior to acquiring any Shares, as applicable.
- (2) Subject to Section 25.3(4), no Subject Shareholder may acquire Shares that would result in the holding of a Significant Interest, directly or indirectly, in one or more transactions, without providing not less than 30 days’ advance written notice (or such shorter period as the Board may approve) to the Company by written notice to the Company’s head office to the attention of the Corporate Secretary and without having received all required approvals from all Governmental Authorities.
- (3) If the Board reasonably believes that a Subject Shareholder may have failed to comply with any of the provisions of Section 25.3(2), the Company may, without prejudice to any other remedy hereunder, apply to the Supreme Court of British Columbia or another court of competent jurisdiction for an order directing that the Subject Shareholder disclose the number of Shares Owned.
- (4) The provisions of Sections 25.3(2) and 25.3(3) will not apply to the Ownership, acquisition or disposition of Shares as a result of:
- (a) any transfer of Shares occurring by operation of bankruptcy or insolvency law including, inter alia, the transfer of Shares of the Company to a trustee in bankruptcy;
  - (b) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with Section 25.3(2);
  - (c) the holding by a recognized clearing agency or recognized depository in the ordinary course of its business; or
  - (d) the conversion, exchange or exercise of securities of the Company or an affiliate (other than the Shares) duly issued or granted by the Company or an affiliate, into or for Shares, in accordance with their respective terms.



- (5) At the option of the Company and upon determination by the Board that an Unsuitable Person has not received the requisite approval of any Government Authority to own the shares, the Company may issue a notice prohibiting any Unsuitable Person owning Shares from exercising any voting rights with respect to such Shares and on and after the Determination Date specified therein, and/or providing that such holder will cease to have any rights whatsoever with respect to such Shares, including any rights to the receipt of dividends from the Company, other than the right to receive the Applicable Price, without interest, on the Redemption Date or the Transfer Date, as applicable; provided, however, that if any such Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Shares to a liquidating trust, subject to the approval of the Board and any applicable Governmental Authority), such persons may, in the discretion of the Board, exercise the voting and/or other rights attached to such Shares and the Board may determine, in its sole discretion, not to Redeem or require the Transfer of such Shares.
- (6) Notwithstanding anything to the contrary contained herein, all transfers of Multiple Voting Shares are subject to the terms of any coattail agreement entered into in respect thereof and to the other provisions of Article 25.
- (7) Following any Redemption in accordance with the terms of this Section 25.3, the redeemed Shares will be cancelled.
- (8) At the option, but not obligation, of the Company, and at the discretion of the Board, any Shares directly or indirectly owned by an Unsuitable Person may be (i) redeemed by the Company (for the Applicable Price) out of funds lawfully available on the Redemption Date (a “**Redemption**”), or (ii) required to be transferred to a third party for the Applicable Price and on such terms and conditions as the Board may direct (a “**Transfer**”). Shares to be redeemed or mandatorily transferred pursuant to this section will be redeemed or mandatorily transferred at any time and from time to time pursuant to the terms hereof.
- (9) In the case of a Redemption, the Company will send a written notice to the holder of the Shares called for Redemption, which will set forth: (i) the Redemption Date, (ii) the number of Shares to be redeemed on the Redemption Date, (iii) the Applicable Price or the formula pursuant to which the Applicable Price will be determined and the manner of payment therefor, (iv) the place where such Shares (or certificate therefor, as applicable) must be surrendered, or accompanied by proper instruments of transfer (and if so determined by the Board, together with a medallion signature guarantee), and (v) any other requirement of surrender of the Shares to be redeemed (the “**Redemption Notice**”). The Redemption Notice may be conditional such that the Company need not redeem the Shares owned by an Unsuitable Person on the Redemption Date if the Board determines, in its sole discretion, that such Redemption is no longer advisable or necessary on or before the Redemption Date. If applicable, the Company will send a written notice confirming the amount of the Applicable Price promptly following the determination of such Applicable Price.
- (10) Upon receipt by the Unsuitable Person of a Redemption Notice in accordance with Section 25.3(9) and surrender of the relevant Share certificate, if applicable, the holder of the Shares tendered for redemption (together with the applicable transfer documents) shall be entitled to receive the Applicable Price per redeemed Share.
- (11) The Applicable Price payable in respect of the Shares surrendered for Redemption during any calendar month shall be satisfied by way of cash payment no later than the last day of the calendar month following the month in which the Shares were tendered for Redemption. Payments made by the Company of the cash portion of the Applicable Price, less any applicable taxes and any costs to the Company of the Redemption, are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unsuitable Person unless such cheque is dishonoured upon presentment. Upon such payment, the Company shall be discharged from all liability to the former Unsuitable Person in respect of the redeemed Shares.
- (12) In the case of a required Transfer, the Company will send a written notice to the holder of the Shares in question, which will set forth: (i) the Transfer Date, (ii) the number of Shares to be Transferred on the Transfer Date, (iii) the Applicable Price or the formula pursuant to which the Applicable Price will be determined and the manner of payment therefor, (iv) the place where such Shares (or certificate therefor, as

applicable) must be surrendered, accompanied by proper instruments of transfer (and if so determined by the Board, together with a medallion signature guarantee), and (v) any other requirement in respect of the Shares to be Transferred, which may without limitation include a requirement to dispose of the Shares via the Exchange to a person who would not be in violation of the provisions of this Section 25.3(12) (the “**Transfer Notice**”). The Transfer Notice may be conditional such that the Company need not require the Transfer of the Shares owned by an Unsuitable Person on the Transfer Date if the Board determines, in its sole discretion, that such Transfer is no longer advisable or necessary on or before the Transfer Date. If applicable, the Company will send a written notice confirming the amount of the Applicable Price promptly following the determination of such Applicable Price.

- (13) Upon receipt by the Unsuitable Person of a Transfer Notice in accordance with Section 25.3(12) and surrender of the relevant Share certificate, if applicable (together with applicable Transfer documents), the holder of the Shares tendered for Transfer shall be entitled to receive the Applicable Price per Transferred Share.
- (14) The Applicable Price payable in respect of the Shares surrendered for Transfer during any calendar month shall be satisfied, less any costs to the Company of the Transfer, by way of cash payment no later than the last day of the calendar month following the month in which the Shares were tendered for Transfer. Payments made by the Company of the cash portion of the Applicable Price, less any applicable taxes and any costs to the Company of the Transfer, are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unsuitable Person unless such cheque is dishonoured upon presentation. Upon such payment, the Company shall be discharged from all liability to the former Unsuitable Person in respect of the Transferred Shares.
- (15) If Shares are required to be Transferred under Section 25.3(12), the former owner of the Shares immediately before the Transfer shall by that Transfer be divested of their interest or right in the Shares, and the person who, but for the Transfer, would be the registered owner of the Shares or a person who satisfies the Company that, but for the Transfer, they could properly be treated as the registered owner or registered holder of the Shares shall, from the time of the Transfer, be entitled to receive only the Applicable Price per Transferred Share, without interest, less any applicable taxes and any costs to the Company of the Transfer.
- (16) Following the sending of any Redemption Notice or Transfer Notice, and prior to the completion of the Redemption or Transfer specified therein, the Company may refuse to recognize any other disposition of the Shares in question.
- (17) If the Company does not know the address of the former holder of Shares Transferred or Redeemed hereunder, it may retain the amount payable to the former holder thereof, title to which shall revert to the Company if not claimed within two (2) years (and at that time all rights thereto shall belong to the Company).
- (18) To the extent required by applicable laws, the Company may deduct and withhold any tax from the Applicable Price. To the extent any amounts are so withheld and are timely remitted to the applicable Governmental Authority, such amounts shall be treated for all purposes herein as having been paid to the Person in respect of which such deduction and withholding was made.
- (19) All notices given by the Company to holders of Shares pursuant to this Schedule, including a Redemption Notice or Transfer Notice, will be in writing and will be deemed given when delivered by personal service, overnight courier or first-class mail, postage prepaid, to the holder’s registered address as shown on the Company’s share register.
- (20) The Company’s right to Redeem or Transfer Shares pursuant to this Section 25.3 will not be exclusive of any other right the Company may have or hereafter acquire under any agreement or any provision of the notice of articles or the articles of the Company or otherwise with respect to the Shares or any restrictions on holders thereof.

- (21) In connection with the conduct of its or its affiliates' Business, the Company may require that a Subject Shareholder provide to one or more Governmental Authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for Licenses.
- (22) The Board can waive any provision of this Section 25.3.
- (23) In the event that any provision (or portion of a provision) of this Section 25.3 or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of Section 25.3 (including the remainder of such provision, as applicable) will continue in full force and effect.

## **ARTICLE 26**

### **ADVANCE NOTICE OF MEETINGS OF SHAREHOLDERS**

#### **Section 26.1 Nomination Procedures.**

- (1) Subject only to the *Business Corporations Act*, regulations, Applicable Securities Law and the articles of the Company, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if the election of directors is a matter specified in the notice of meeting.
  - (a) by or at the direction of the board, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
  - (c) by any person (a "**Nominating Shareholder**") who (A) at the close of business on the date of the giving of the notice provided for in this Article 26 and on the record date for notice of such meeting, is entered in the central securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company, and (B) complies with the notice procedures set forth below in this Article.

#### **Section 26.2 Timely notice.**

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Company in accordance with this Article 26.

#### **Section 26.3 Manner of timely notice.**

- (1) To be timely, a Nominating Shareholder's notice under this Article 26 must be given:
  - (a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than 30 days prior to the date of the meeting; provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close

of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the meeting was made.

**Section 26.4 Proper form of notice.**

- (1) To be in proper written form, a Nominating Shareholder's notice under this Article 26 must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, (A) the name, age, province or state, and country of residence of the person, (B) the principal occupation, business or employment of the person, both present and within the five years preceding the notice, (C) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or any Applicable Securities Laws; and
  - (b) as to the Nominating Shareholder, (A) the number of securities of each class of voting securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person or any joint actors, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (B) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or to direct or to control the voting of any shares of the Company and (C) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or any Applicable Securities Laws,
  - (c) References to "Nominating Shareholder" in this Article 26 shall be deemed to refer to each shareholder that nominates a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal.

**Section 26.5 Notice to be updated.**

In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required under this Article 26 to be provided in such notice shall be true and correct as of the record date for the meeting.

**Section 26.6 Power of the chairman.**

The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

**Section 26.7 Delivery of notice.**

Notwithstanding any other provision of these articles, notice given to the Corporate Secretary of the Company pursuant to this Article 26 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of the confirmation of such transmission has been received) to the Corporate Secretary of the Company at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is not a

business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

**Section 26.8 Waiver.**

Notwithstanding the foregoing, the board may, in its sole discretion, waive any or all requirements in this Article 26.

**Section 26.9 Definitions.**

(1) For purposes of this Article 26,

- (a) **“Applicable Securities Laws”** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the written rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada;
- (b) **“beneficially owns”** or **“beneficially owned”** means, in connection with the ownership of shares in the capital of the Company by a person, (i) any such shares as to which such person or any of such person’s affiliates (as defined in the *Business Corporations Act*) owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) such shares as to which such person or any of such person’s affiliates (as defined in the *Business Corporations Act*) has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; and (iii) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities; and
- (c) **“close of business”** means 5:00 p.m. (Vancouver time) on a business day in British Columbia, Canada; and
- (d) **“public announcement”** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

**ARTICLE 27  
FORUM SELECTION**

**Section 27.1 Forum Selection**

- (1) Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of the Province of British Columbia, Canada and the appellate courts therefrom (collectively, the **“courts”**) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Company to the Company, (iii) any action asserting a claim arising pursuant to any provision of the *Business Corporations Act* or the notice of articles or articles of the Company (as either may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors

and/or officers, but this paragraph (v) does not include claims related to the business carried on by the Company or such affiliates.

- (2) If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the province of British Columbia (a “**Foreign Action**”) in the name of any registered or beneficial shareholder, such registered or beneficial shareholder shall be deemed to have consented to (i) the personal jurisdiction of the courts in connection with any action brought in any such court to enforce the foregoing exclusive forum provision (an “**enforcement action**”), and (ii) having service of process made upon such registered or beneficial shareholder in such enforcement action by service upon such registered or beneficial shareholder’s counsel in the Foreign Action as agent for such shareholder.

## **ARTICLE 28 CORPORATE OPPORTUNITIES**

### **Section 28.1 Excluded Opportunities**

The Company renounces, to the maximum extent permitted by law, any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any Excluded Opportunity. An “**Excluded Opportunity**” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, any director or officer of the Company (or any of its subsidiaries) who is also a director or officer of another company or corporation (or of any subsidiaries thereof) (collectively, “**Covered Persons**”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director or officer of the Company or a subsidiary thereof.

### **Section 28.2 Allocation of Opportunities**

The Company may enter into agreements with other parties regarding the allocation of corporate opportunities. To the maximum extent permissible under applicable law, no director or officer shall have any liability for complying or attempting to comply in good faith with the provisions thereof (which may involve, among other things, not bringing potential transactions to the attention of the Company).

Dated May 24, 2019.

**FULL NAME AND SIGNATURE OF ONE OF THE  
DIRECTORS PURSUANT TO S. 302(1)(C) OF THE BUSINESS  
CORPORATIONS ACT (BRITISH COLUMBIA)**



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Name: Jonathan Sandelman  
Title: Chairman, Chief Executive Officer and  
Corporate Secretary