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Ministère des
Services gouvernementaux

Ontario Corporation Number
Numéro de la société en Ontario

Ontario
CERTIFICATE
This is to certify that these
articles are effective on

CERTIFICAT
Ceci certifie que les présents
statuts entrent en vigueur le

1940583

JULY 29 JUILLET, 2015

17

Director / Directeur

Business Corporations Act / Loi sur les sociétés par actions

**ARTICLES OF AMALGAMATION
STATUTS DE FUSION**

Form 4
Business
Corporations
Act

Formule 4
Loi sur les
sociétés par
actions

1. The name of the amalgamated corporation is: (Set out in BLOCK CAPITAL LETTERS)
 Dénomination sociale de la société issue de la fusion: (Écrire en LETTRES MAJUSCULES SEULEMENT) :

S	P	I	N	M	A	S	T	E	R	C	O	R	P	.						

2. The address of the registered office is:
 Adresse du siège social :

450 Front Street West

Street & Number or R.R. Number & if Multi-Office Building give Room No. /
 Rue et numéro ou numéro de la R.R. et, s'il s'agit d'un édifice à bureaux, numéro du bureau

Toronto

ONTARIO

M 5 V 1 B 6

Name of Municipality or Post Office /
 Nom de la municipalité ou du bureau de poste

Postal Code/Code postal

3. Number of directors is: Fixed number OR minimum and maximum
 Nombre d'administrateurs : Nombre fixe OU minimum et maximum

4. The director(s) is/are: / Administrateur(s) :

First name, middle names and surname Prénom, autres prénoms et nom de famille	Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal	Resident Canadian State 'Yes' or 'No' Résident canadien Oui/Non
Anton Rabie	450 Front Street West, Toronto, Ontario, Canada M5V 1B6	Yes
Ronnen Harary	450 Front Street West, Toronto, Ontario, Canada M5V 1B6	Yes
Ben Varadi	450 Front Street West, Toronto, Ontario, Canada M5V 1B6	Yes

5. Method of amalgamation, check A or B
 Méthode choisie pour la fusion – Cocher A ou B :

A - Amalgamation Agreement / Convention de fusion :



The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.

Les actionnaires de chaque société qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

or
ou

B - Amalgamation of a holding corporation and one or more of its subsidiaries or amalgamation of subsidiaries / Fusion d'une société mère avec une ou plusieurs de ses filiales ou fusion de filiales :



The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.

Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

The articles of amalgamation in substance contain the provisions of the articles of incorporation of
 Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

and are more particularly set out in these articles.
 et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations Dénomination sociale des sociétés qui fusionnent	Ontario Corporation Number Numéro de la société en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation		
		Year année	Month mois	Day jour
SPIN MASTER CORP.	1621417	2015	07	29
SML INVESTMENTS 2008 INC.	2170361	2015	07	29
VARADI BEE CORP.	2170509	2015	07	29

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

There shall be no restrictions on the business the Corporation may carry on nor on the powers the Corporation may exercise.

7. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

an unlimited number of multiple voting shares
an unlimited number of multiple voting shares, Class I
an unlimited number of subordinate voting shares
an unlimited number of Class A shares
an unlimited number of preferred shares, issuable in series

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

See pages 4A - 4S attached.

**Rights, Privileges, Restrictions and Conditions Attaching to
Each Class of Shares of the Amalgamated Corporation**

INTERPRETATION

A. All initially capitalized words and phrases set out in these articles shall, unless specifically stated otherwise, have the meanings attributed thereto, respectively, as follows:

- (a) "**Affiliate**" shall have the following meaning: a Person is an Affiliate of another Person if:
 - (i) one of them is a Subsidiary of the other; or
 - (ii) each of them is Controlled by the same Person;
- (b) "**Articles of Amalgamation (Form 4)**" means the articles of amalgamation of the Corporation;
- (c) "**Board**" means the Corporation's board of directors;
- (d) "**Bought Deal**" means an Underwritten Offering as described in the definition of "bought deal agreement" in Section 7.1 of National Instrument 44-101 – *Short Form Prospectus Distributions*;
- (e) "**Business Day**" means any day, other than Saturday, Sunday or any statutory holiday in the Province of Ontario;
- (f) "**Canadian Reporting Jurisdictions**" means those provinces or territories of Canada in which the Corporation is a "reporting issuer" within the meaning of the securities legislation of such provinces or territories;
- (g) "**Ceara**" means Ceara Investment Holdings Inc.;
- (h) "**Celia**" means Celia Holdings Inc.;
- (i) "**Control**" shall have the following meaning: a Person (first person) is considered to control another Person (second person) if:
 - (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation;
 - (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership;
 - (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person; or

- (iv) the first person possesses the right or power to direct or cause the direction of management and policies of the second person, whether through ownership of voting securities, operation of law, contract or otherwise, and including, as applicable, acting in the capacity of a trustee of a trust;

and the words "**Controlled by**", "**Controlling**" and similar words have corresponding meanings; provided that the first Person shall be deemed to also Control a Person Controlled by the second Person;

- (j) "**Director**" means a member of the Board;
- (k) "**Directors Election Meeting**" means a meeting of shareholders of the Corporation at which one or more Directors are to be elected to the Board;
- (l) "**Disability Date**" means that date on which a Principal first became Mentally Incapacitated and "**Disability Period**" means that period of time commencing on the Disability Date to and including the date upon which the Principal has been able to resume managing his affairs, as certified by 2 medical doctors. Unless and until a Mentally Incapacitated person has been able to manage his affairs for thirty (30) consecutive days, the period of Mental Incapacity will be deemed to have continued without interruption;
- (m) "**GN&C Committee**" means the Governance, Nominating and Compensation Committee of the Board and any replacement or successor committee of the Board that is responsible for governance matters (including the selection of Nominees) or the Board if there is no such committee;
- (n) "**Harary**" means Ronnen Harary;
- (o) "**HararyCo**" means Marathon Investment Holdings Ltd.;
- (p) "**Harary Group Shareholder**" means each of Harary, HararyCo, Ceara and any Affiliate or Permitted Assign of the foregoing that beneficially owns one or more Multiple Voting Shares and "**Harary Group Shareholders**" means all of the foregoing Persons collectively, and for purposes of determining the number of Shares held by the Harary Group Shareholders, all such holdings shall be aggregated;
- (q) "**IPO**" means the Corporation's initial public offering of Subordinate Voting Shares;
- (r) "**IPO Closing Day**" means the closing day of the IPO;
- (s) "**Independent Director**" means a Director who is independent of the Corporation within the meaning of National Instrument 52-110 – *Audit Committee* of the Canadian Securities Administrators, as amended or succeeded from time to time;

- (t) **“Majority Principals”** means each of Rabie and Harary for so long as they remain a Majority Principal pursuant to the provisions of the Principal Shareholders Agreement;
- (u) **“Mental Incapacity”** means such suffering from a state of mental disability, illness or disease as prevents a Majority Principal from being able to manage his own affairs, as certified by two (2) medical doctors and **“Mentally Incapacitated”** has a corresponding meaning;
- (v) **“Multiple Voting Shares”** means the multiple voting shares in the capital of the Corporation including the multiple voting shares, Class I;
- (w) **“Nominee”** or **“Nominees”** means the nominee and nominees that are proposed for election as Directors by the Corporation and included in a management information circular of the Corporation relating to the election of Directors;
- (x) **“OBCA”** means the *Business Corporations Act* (Ontario), as the same may be amended from time to time, and any successor legislation thereto, except where otherwise expressly provided;
- (y) **“Offering Documents”** means any document prepared in accordance with applicable Securities Laws that qualifies Subordinate Voting Shares for sale as may be necessary to file under the Securities Laws of one or more Canadian Reporting Jurisdictions in order for distributed Subordinate Voting Shares to become freely tradable to the public in all or some of the Canadian Reporting Jurisdictions;
- (z) **“Permitted Assign”** means any Person who owns Multiple Voting Shares following a Transfer of Multiple Voting Shares as permitted by the Principal Shareholders Agreement;
- (aa) **“Permitted Holder”** means any member of a Shareholder Group and/or a Related Entity of a member of a Shareholder Group;
- (bb) **“Person”** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other personal legal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (cc) **“Principal”** means each of Rabie, Harary and Varadi and **“Principals”** means all of the foregoing Persons collectively;
- (dd) **“Principal Shareholders Agreement”** means the Principal Shareholders Agreement dated the 29th day of July, 2015 between RabieCo, Celia, HararyCo, Ceara, VaradiCo, VaradiCo II, Rabie, Harary, Varadi and the Corporation.
- (ee) **“Rabie”** means Anton Rabie;

- (ff) **"RabieCo"** means Trumbanick Investments Ltd.;
- (gg) **"Rabie Group Shareholder"** means each of Rabie, RabieCo, Celia and any Affiliate or Permitted Assign of the foregoing that beneficially owns one or more Multiple Voting Shares and **"Rabie Group Shareholders"** means all of the foregoing Persons collectively, and for purposes of determining the number of Shares held by the Rabie Group Shareholders, all such holdings shall be aggregated;
- (hh) **"Related Entity"** means, in relation to a Person:
 - (i) the person to whom such Person is legally married or with whom such Person is living in a conjugal relationship outside of marriage at the relevant time;
 - (ii) the persons who are natural born or legally adopted children of such Person or are natural born or legally adopted descendants of such children;
 - (iii) any trust, provided that, (a) the beneficiaries of such trust include only Permitted Holders and their lineal descendants; or (b) at least one trustee of such trust is a Permitted Holder;
 - (iv) any Affiliate of such Person, or any Person related to, or affiliated with, such Person for purposes of the Tax Act; and
 - (v) upon the death of a Person that is an individual, means his or her estate or personal legal representatives;
- (ii) **"Securities Laws"** means, collectively, the applicable securities laws of Canada and each of the provinces and territories of Canada and the respective regulations, instruments and rules made under those securities laws together with all applicable published policy statements, notices, blanket orders and rulings of the securities commissions or regulatory authorities of Canada and of each of the provinces and territories of Canada and the applicable rules and requirements of any stock exchange on which securities if the Corporation are listed;
- (jj) **"Shares"** means, collectively, the Multiple Voting Shares and the Subordinate Voting Shares;
- (kk) **"Shareholder"** means any Person that is a registered holder of shares in the capital of the Corporation;
- (ll) **"Shareholder Group"** means each of: (a) the Rabie Group Shareholders (collectively as one Shareholder Group); (b) the Harary Group Shareholders (collectively as one Shareholder Group); and (c) the Varadi Group Shareholders (collectively as one Shareholder Group) and **"Shareholder Groups"** means all of them;
- (mm) **"Subordinate Voting Shares"** means the subordinate voting shares in the capital of the Corporation;

- (nn) **"Subsidiary"** means a Person that is Controlled directly or indirectly by another Person;
- (oo) **"Tax Act"** means the *Income Tax Act* (Canada), and the regulations thereunder, as may be amended from time to time, and any successor legislation thereto;
- (pp) **"Timely Notice"** means
 - (i) in the case of an annual meeting (including an annual and special meeting) of the shareholders, not less than thirty (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 fifty (50) days after the date (the **"Notice Date"**) that is the earlier of: (a) the date that a notice of meeting is filed for such meeting; and (b) the date on which the first public announcement of the date of the meeting was made, notice shall be given not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual meeting) of the shareholders called for the purpose of electing directors (whether or not also called for other purposes), not later than the close of business on the fifteenth (15th) day following the Notice Date.
- (qq) **"Transfer"** includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, directly or indirectly, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and the words **"Transferring"**, **"Transferred"** and similar words have corresponding meanings;
- (rr) **"Underwritten Offering"** shall mean a sale of securities of the Corporation to an underwriter for reoffering to the public pursuant to an Offering Document;
- (ss) **"Varadi"** means Ben Varadi;
- (tt) **"VaradiCo"** means LentilBerry Inc.;
- (uu) **"VaradiCo II"** means Varadi Invest Corp.; and
- (vv) **"Varadi Group Shareholder"** means each of Varadi, VaradiCo, VaradiCo II and any Affiliate or Permitted Assign of the foregoing that beneficially owns one or more Multiple Voting Shares and **"Varadi Group Shareholders"** means all of the foregoing Persons collectively, and for purposes of determining the number of Shares held by the Varadi Group Shareholders, all such holdings shall be aggregated.

MULTIPLE VOTING SHARES AND SUBORDINATE VOTING SHARES

B. The Multiple Voting Shares and the Subordinate Voting Shares shall have the following rights, privileges, restrictions and conditions:

1. **Dividends – Multiple Voting Shares and Subordinate Voting Shares**

- (a) Subject to the prior rights of the holders of any shares ranking prior to the Multiple Voting Shares and the Subordinate Voting Shares with respect to the payment of dividends and subject to the rights of the holders of multiple voting shares, Class I with respect to the payment of dividends, the holders of Multiple Voting Shares (which, for the purposes of this clause (a), shall not include the multiple voting shares, Class I) and the holders of Subordinate Voting Shares shall be entitled to receive dividends out of the assets of the Corporation legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine and the Corporation shall pay dividends thereon on a *pari passu* basis, if, as and when declared by the Board. For certainty, all dividends shall be declared and paid in equal or equivalent amounts per share and at the same time on all the Multiple Voting Shares and all the Subordinate Voting Shares at the time outstanding without preference or distinction. Any stock dividend declared and paid in respect of the Subordinate Voting Shares shall be in the form of Subordinate Voting Shares, and any stock dividend declared and paid in respect of Multiple Voting Shares shall also be in the form of Subordinate Voting Shares. The Board may declare and pay dividends on the Multiple Voting Shares and Subordinate Voting Shares without declaring or paying any dividends on any other class or classes of shares.
- (b) Subject to the prior rights of the holders of any shares ranking prior to the multiple voting shares, Class I with respect to the payment of dividends, the holders of multiple voting shares, Class I shall be entitled to receive dividends out of the assets of the Corporation legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine and the Corporation shall pay dividends thereon, if, as and when declared by the Board. The Board may declare and pay dividends on the multiple voting shares, Class I without declaring or paying any dividends on any other class or classes of shares.

2. **Voting Rights**

- (a) Each holder of Multiple Voting Shares and each holder of Subordinate Voting Shares shall be entitled to receive notice of and to attend all meetings of the Shareholders, except meetings at which only holders of another particular class or series of shares shall have the right to vote. At each such meeting, the holders of the Multiple Voting Shares shall be entitled to ten (10) votes for each Multiple Voting Share held and the holders of the Subordinate Voting Shares shall be entitled to one (1) vote for each Subordinate Voting Share held.
- (b) In addition to any other voting right or power to which the holders of Subordinate Voting Shares shall be entitled by law or regulation or other provisions of the articles of the Corporation from time to time in effect, but subject to the provisions hereof, holders of Subordinate Voting Shares shall be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of the articles of the

Corporation which would adversely affect the powers, preferences or rights of the holders of Subordinate Voting Shares, including an amendment to the terms of the articles of the Corporation that 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.

3. No Shareholder Approval Required

Notwithstanding Sections 170(1)(a), (b) and (e) of the OBCA (as such Sections existed on the date of the Articles of Amalgamation (Form 4)), the issuance by the Corporation of Preferred Shares of the Corporation shall not entitle the holders of shares of a class or of a series of the Corporation to vote separately as a class or series on a proposal to amend the Corporation's articles of amalgamation in respect of any matters contemplated by Sections 170(1)(a), (b) and (e) of the OBCA.

4. Automatic Conversion of Multiple Voting Shares to Subordinate Voting Shares

- (a) A Multiple Voting Share will automatically convert, without any further action on the part of the Corporation or the holder of such share, into a Subordinate Voting Share on a one-for-one basis if such Multiple Voting Share is transferred to, or held by, any Person who is not a Permitted Holder;
- (b) All Multiple Voting Shares will automatically convert, without any further action on the part of the Corporation or the holder of such share, into Subordinate Voting Shares on a one-for-one basis on the date on which the Majority Principals, acting jointly, decide to convert, in their sole discretion, all of the issued and outstanding Multiple Voting Shares; and
- (c) All Multiple Voting Shares will automatically convert, without any further action on the part of the Corporation or the holder of such shares, into Subordinate Voting Shares on a one-for-one basis (i) on the date on which the Shares beneficially owned, directly or indirectly, in the aggregate, by all Shareholder Groups constitute less than 15% of all of the issued and outstanding Shares or (ii) on the date when neither Rabie nor Harary is a Majority Principal, or (iii) the date upon which the Principal Shareholders Agreement has terminated pursuant to the provisions of such agreement.

5. Conversion Right attaching to the Multiple Voting Shares

- (a) Subject to the provisions of the Principal Shareholders Agreement, each holder of Multiple Voting Shares shall be entitled at its option at any time and from time to time to have all or any part of the Multiple Voting Shares held by it converted into fully paid and non-assessable Subordinate Voting Shares on the basis of one Subordinate Voting Share for each Multiple Voting Share in respect of which the conversion right is exercised.
- (b) The conversion right provided for in this clause 5 may be exercised by notice in writing given to the transfer agent for the Subordinate Voting Shares accompanied by the certificate representing the Multiple Voting Shares in respect

of which the holder desires to exercise such right of conversion, or the equivalent in any non-certificated inventory system (e.g. Direct Registration System) administered by any applicable depository and transfer agent, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Multiple Voting Shares or by his or her duly authorized attorney and shall specify the number of Multiple Voting Shares which the holder desires to have converted. The holder shall pay any governmental or other tax imposed on or in respect of such conversion. Upon receipt by the transfer agent of such notice and certificate, the Corporation shall issue or cause to be issued to the holder a certificate, or the equivalent in any non-certificated inventory system (e.g. Direct Registration System) administered by any applicable depository and transfer agent, representing fully paid, non-assessable Subordinate Voting Shares on the basis prescribed above and in accordance with the provisions hereof. 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 number of Multiple Voting Shares represented by the original certificate which are not to be converted. The holders of Subordinate Voting Shares do not have any redemption or conversion rights.

6. **Restrictions on Creation and Issue of Additional Voting Shares**

Other than in respect of the Multiple Voting Shares and the Subordinate Voting Shares, the Corporation shall not create any class of shares carrying the right to vote.

7. **Restriction on the Issuance of Additional Multiple Voting Shares**

From and after the closing of the IPO, the Corporation may not issue additional Multiple Voting Shares, except in connection with a subdivision or consolidation of Shares on a proportionate basis (with reference to the number of shares outstanding) as between the Subordinate Voting Shares and the Multiple Voting Shares.

8. **Subdivision and Consolidation**

Neither the Multiple Voting Shares nor the Subordinate Voting Shares shall be increased in number by reason of being subdivided, nor decreased in number by reason of being consolidated, unless contemporaneously therewith the shares of the other class are subdivided or consolidated in the same proportion and in the same manner.

9. **Additional Issue**

Except for the pre-emptive rights set forth herein, the Corporation shall not grant rights to holders of Multiple Voting Shares or Subordinate Voting Shares to acquire additional shares or other securities or property of the Corporation unless the same rights are concurrently given to holders of the other class of shares.

10. **Pre-Emptive Rights**

- (a) No Subordinate Voting Shares or securities convertible into or exchangeable for Subordinate Voting Shares or any voting or equity securities of the Corporation or

an option or other right to acquire any such securities (the “**Issued Securities**”) will be issued by the Corporation or any of its Subsidiaries and no option or other right for the purchase of or subscription for any Issued Securities will be granted at any time after the closing of the IPO except upon compliance with this clause 10.

- (b) If the Corporation or any of its Subsidiaries proposes to distribute any Issued Securities, the Shareholder Groups shall be entitled to participate in such issuance on a pro rata basis, but only to the extent necessary to maintain the Shareholder Groups direct and indirect effective pro rata equity ownership interest in the Corporation. At least fifteen (15) Business Days prior to the closing of any such proposed distribution, the Corporation shall deliver to the Shareholder Groups a notice in writing offering the Shareholder Groups the opportunity to subscribe for a pro rata number of Issued Securities (the “**Offered Issued Securities**”). The offer will contain a description of the terms and conditions relating to the Issued Securities and will, to the extent known, state the price at which the Issued Securities will be distributed and the date on which the issuance of Issued Securities is to be completed and will state that the Shareholder Groups, if any wish to subscribe for Issued Securities, may do so only by giving written notice of the exercise of the subscription right granted hereby to the Corporation within ten (10) Business Days after the date of the offer, provided that if the Corporation receives a Bought Deal relating to such distribution of shares, the Shareholder Groups shall have not less than 24 hours from the time the Corporation advises them of such Bought Deal to provide the written notice to the Corporation in accordance with the provisions of the Principal Shareholders Agreement. The Shareholder Groups will be entitled to participate in the issuance of the Issued Securities at the most favourable price and on the most favourable terms (notwithstanding the terms and conditions, including the price at which it is anticipated the Issued Securities will be distributed, set out in the notice by the Corporation to the Shareholder Groups referred to above) as such Issued Securities are to be offered to any party, excluding commissions and other transaction expenses paid by the Corporation.
- (c) If any of the Offered Issued Securities of any issue are not subscribed for within the period of ten (10) Business Days after they are offered to the Shareholder Groups (or in the event that the Corporation receives a Bought Deal, the applicable subscription period provided to the Shareholder Groups which shall not be less than 24 hours from the time the Corporation advises them of such Bought Deal), then any Shareholder Group that exercised its subscription right, in full, as set out above, shall be entitled, within 24 hours of receipt of a written notice from the Corporation in respect thereof (which notice shall be provided by the Corporation forthwith following the end of the applicable subscription period provided to the Shareholder Groups pursuant to the provisions of the Principal Shareholders Agreement), to purchase its proportionate share (among such purchasing Shareholder Groups that wish to purchase additional unsubscribed for Offered Issued Securities) of any unsubscribed for Offered Issued Securities. Thereafter, the Corporation or its relevant Subsidiary may offer such unsubscribed Issued Securities within the period of ninety (90) days after the end

of the applicable subscription period provided to the Shareholder Groups pursuant to the provisions of the Principal Shareholders Agreement to any Person, but the price at which such Issued Securities may be issued will not be less than the subscription price offered to the Shareholder Groups and the terms of payment for such Issued Securities will not be more favourable to such person than the terms of payment offered to the Shareholder Groups.

- (d) If the Corporation or any of its Subsidiaries proposes to grant an option or other right for the purchase of or subscription for Issued Securities, such option or other right will also be made available to the Shareholder Groups as nearly as may be possible in accordance with the foregoing.
- (e) The provisions of clause 10 will not apply to any issues of Issued Securities or to the grant of any option or other right for the purchase of or subscription for any Issued Securities:
 - (i) Upon the conversion of any Multiple Voting Shares to Subordinate Voting Shares;
 - (ii) In connection with any exercise of options, warrants, rights or other securities issued under the Corporation's security-based compensation arrangements, if any;
 - (iii) In connection with a subdivision of then-outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares;
 - (iv) That are equity securities of the Corporation in lieu of cash dividends, if any;
 - (v) Pursuant to a shareholders' rights plan of the Corporation, if any;
 - (vi) Pursuant to a dividend reinvestment plan of the Corporation, if any;
 - (vii) Upon the exercise by a holder of a conversion, exchange or other similar privilege pursuant to the terms of a security in respect of which the holder of Multiple Voting Shares did not exercise, failed to exercise, or waived, its rights under clause 10 or in respect of which such pre-emptive rights did not apply;
 - (viii) To the Corporation or any Subsidiary of the Corporation or an Affiliate of any of them;
 - (ix) In the event that the rights of any Shareholder Group under clause 10 are waived by such Shareholder Group (but only in respect of that Shareholder Group); and
 - (x) Pursuant to an over-allotment option granted to the agents or underwriters, as applicable, in connection with the IPO.

- (f) A Shareholder Group, and the members thereof, shall cease to have the benefit of any pre-emptive rights pursuant to the provisions of clause 10: (a) from and after the date upon which the Principal of such group dies or the Shares beneficially owned, directly or indirectly, in the aggregate, by such Shareholder Group are less than 8% of all of the issued and outstanding Shares; or (b) during any Disability Period with respect to the Principal of such group.

11. Demand Registration Right

- (a) Subject to the rights of first offer set out in the Principal Shareholders Agreement, in the event a holder of Multiple Voting Shares is entitled to sell to one or more third parties any Subordinate Voting Shares (including those issuable upon the conversion of Multiple Voting Shares) as permitted by the Principal Shareholders Agreement, such holder of Multiple Voting Shares (the “**Selling Shareholder**”) may, by written notice (the “**Demand Notice**”), require the Corporation to prepare and file the necessary Offering Documents with one or more Canadian securities regulatory authorities or otherwise to qualify Subordinate Voting Shares for distribution in one or more Canadian Reporting Jurisdictions (a “**Demand Registration**”), and the Corporation will otherwise take or cause to be taken all actions as may be necessary or desirable, in order to effect a public offering of the Subordinate Voting Shares by the Selling Shareholder (a “**Secondary Offering**”). The Demand Notice shall state: (a) the number of Subordinate Voting Shares (including those issuable upon the conversion of Multiple Voting Shares) the Selling Shareholder wishes to sell in the Secondary Offering; (b) describe the nature or methods of the proposed distribution thereof, including whether such distribution shall be made by an Underwritten Offering; (c) if the proposed distribution is an Underwritten Offering, specify the proposed managing underwriter or underwriters to administer the Underwritten Offering; and (d) specify the Canadian Reporting Jurisdictions in which such distribution shall be made, provided that the Corporation is, on the date of giving of the Demand Notice, a reporting issuer in each such Canadian Reporting Jurisdiction. The amount of the proposed Secondary Offering must be at least \$25 million (including Subordinate Voting Shares to be sold by the Selling Shareholder, Additional Selling Shareholders and the Corporation, as the case may be). The Selling Shareholder shall send the Demand Notice to each of the Shareholder Groups and the Corporation. If any other Shareholder Group wishes to participate with the Selling Shareholder in the Secondary Offering (an “**Additional Selling Shareholder**”) then such Additional Selling Shareholder shall notify the Selling Shareholder, the other Shareholder Group and the Corporation, in writing, of such intention (the “**Secondary Offering Notice**”) within five (5) Business Days of receipt of the Demand Notice. The Secondary Offering Notice shall state the number of Subordinate Voting Shares (including those issuable upon the conversion of Multiple Voting Shares) the Additional Selling Shareholder(s) wish to sell in the Secondary Offering, such number not to exceed the number of Subordinate Voting Shares to be offered by the Selling Shareholder. Any Additional Selling Shareholders and the Selling Shareholder are hereinafter referred to as the “**Selling Shareholders**”. The Corporation may also include previously unissued Subordinate Voting Shares in the Secondary Offering in such

number as the Board may approve. The Corporation shall not include in any Demand Registration any securities other than Subordinate Voting Shares offered by the Selling Shareholders or the Corporation.

12. **Piggy Back Registration Right**

- (a) A holder of Multiple Voting Shares will also have unlimited registration rights relating to the inclusion of their Subordinate Voting Shares (including those issuable upon the conversion of Multiple Voting Shares) in any prospectus filed by the Corporation in one or more of the Canadian Reporting Jurisdictions (a “**Primary Offering**”).

13. **Rights on Liquidation**

Subject to the prior rights of the holders of any shares ranking senior to the Multiple Voting Shares and the Subordinate Voting Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among the Shareholders for the purpose of winding-up its affairs, the holders of Multiple Voting Shares and Subordinate Voting Shares, without preference or distinction, will be entitled to receive rateably all of the Corporation's assets remaining after payment of all debts and other liabilities.

14. **Board Nomination Rights**

- (a) The Majority Principals shall have the right, pursuant to the terms and subject to the conditions of this clause 14, to select 80% of the Nominees (the “**Majority Principal Nomination Rights**” and the right to select a Nominee shall be referred to as a “**Nomination Right**”) rounded down to the nearest whole number, provided that:
- (i) For so long as the Majority Principal Nomination Rights are in effect, the Majority Principals’ Nominees shall include:
 - (A) the Principals (so long as each Principal wants to be a Nominee and his Shareholder Group satisfies the Minimum Threshold); and
 - (B) subject to the provisions of clause 14(a)(vi), two Nominees that are Independent Directors;
 - (ii) Each Nominee selected by the Majority Principals shall be eligible to serve as a Director under the OBCA;
 - (iii) The Majority Principal Nominees Rights shall be reduced (i) to 60% of the Nominees, rounded down to the nearest whole number, if and when the Shares beneficially owned, directly or indirectly, in the aggregate, by all Shareholder Groups constitute less than 40% of the aggregate Shares held by such groups on the IPO Closing Day and (ii) to 35% of the Nominees,

rounded down to the nearest whole number, if and when the Shares beneficially owned, directly or indirectly, in the aggregate, by all Shareholder Groups constitute less than 20% of the aggregate Shares held by such groups on the IPO Closing Day;

- (iv) The Majority Principal Nomination Rights shall cease and no longer be effective from and after the date upon which all of the Multiple Voting Shares have been converted to Subordinate Voting Shares (the “**Conversion Date**”). From and after the Conversion Date the Corporation shall include as Nominees, in respect of each Directors Election Meeting, each Principal, or a nominee of such Principal, as determined solely by the Principal, if such Principal’s Shareholder Group beneficially owns, directly or indirectly, in the aggregate, Shares equal to or greater than 5% of all of the issued and outstanding Shares (the “**Minimum Threshold**”) provided that the Principal, or his nominee, as the case may be, is eligible to serve as a Director under the OBCA. The Principal shall provide the Corporation with Timely Notice of the name of its Nominee (together with the information regarding such Nominee to be included in the information circular of the Corporation to be sent to the shareholders of the Corporation in respect of such Directors Election Meeting) or, alternatively, state in such notice that the Principal does not wish to select a Nominee with respect to such Directors Election Meeting;
 - (v) Any Nomination Right not held by the Majority Principals shall rest with the GN&C Committee;
 - (vi) The requirement to nominate Independent Directors shall first be satisfied by the Nominees of the GN&C Committee and, if not sufficient, by the Majority Principal Nomination Rights; and
 - (vii) If, prior to his or her election to the Board, any Nominee is unable or unwilling to serve as a Director, then the Majority Principals or the GN&C Committee, as the case may be, that selected such Nominee, shall be entitled to designate a replacement. In the event of the resignation, death or incapacity of a Director that is serving on the Board, the Majority Principals or the GN&C Committee, as the case may be, that selected such Director shall be entitled to designate an individual to replace such Director to serve on the Board by delivery of a written notice to the Corporation within forty-five (45) days after the Director resigns, dies or becomes incapacitated, as applicable. Such individual shall be eligible to serve as a Director under the OBCA. Such individual shall be promptly appointed to the Board to serve until the next Directors Election Meeting or until his or her successor is elected or appointed.
- (b) The Corporation shall notify the Majority Principals of its intention to hold a Directors Election Meeting at least ninety (90) days prior to the date of such meeting.

- (c) The Majority Principals shall provide the Corporation with Timely Notice of its Nominees in connection with a Directors Election Meeting and the Corporation will include such Nominees as a nominee of the Board as a Director in the Corporation's information circular for such Directors Election Meeting.
- (d) The Majority Principals and the Corporation shall take appropriate measures, including adequate instructions to the GN&C Committee, in respect of the nomination of Independent Directors, to assure that the Corporation complies with applicable law, including applicable Securities Laws, with respect to the composition of the Board. For greater certainty, the Nominees of the GN&C Committee shall be resident Canadians (if required by applicable corporate law based on the Nominees selected by the Majority Principals).
- (e) For so long as the Majority Principals are entitled to the Majority Principal Nomination Rights, the Corporation shall not permit the adoption, amendment, modification, termination, waiver or departure of the terms of any charter of the GN&C Committee, without the written consent of the Majority Principals, if to do so would result in the terms of the Principal Shareholders Agreement not being complied with.
- (f) The selection of Nominees (including any Nominee selected by the GN&C Committee pursuant to the provisions of clause 14(a)(vii)) by the GN&C Committee shall be done in consultation with the Majority Principals. The following shall apply with respect to the selection of Nominees by the GN&C Committee in connection with a Directors Election Meeting:
 - (i) Not less than seventy-five (75) days before each Directors Election Meeting occurring after the date hereof, the GN&C Committee shall deliver to the Majority Principals, in writing, the names of the proposed Nominees of such committee together with the information regarding such proposed Nominees (including the number of securities in the Corporation and its Subsidiaries owned or controlled by each) to be included in the information circular of the Corporation to be sent to shareholders of the Corporation in respect of such Directors Election Meeting and such other information, including a biography of each, that is consistent with the information the Corporation intends to publish about such Nominees as directors of the Corporation in such information circular (the "**Nomination Letter**");
 - (ii) If the GN&C Committee provides the Nomination Letter within the time prescribed therefor, the Majority Principals shall promptly review the Nominee's credentials and, in the case of any Nominee not currently a Director, shall be entitled to interview such individual. In the event that the Majority Principals do not approve of one or more Nominees put forward by the GN&C Committee, such determination shall be communicated to the GN&C Committee no later than sixty (60) days prior to the Directors Election Meeting. The GN&C Committee may but is not obligated to designate an alternative Nominee for appointment as a

replacement nominee in accordance with the provisions of this clause 14(f) by providing a further Nomination Letter with respect to such alternative Nominee or Nominees, provided such further Nomination Letter shall be provided no later than the date which is fifty (50) days before the Directors Election Meeting for which such Nomination Letter has been provided and the Majority Principals will review that individual's credentials and shall be entitled to interview such individual; and

- (iii) The foregoing process shall apply mutatis mutandis to any further GN&C Committee Nominees not approved by the Majority Principals provided that the final selection of the GN&C Committee's Nominees shall be made by the GN&C Committee.

CLASS A SHARES

C. The Class A shares shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividend Entitlement

The holders of the Class A shares shall be entitled to receive when, as and if declared thereon by the Board, variable non-cumulative dividends at a rate per month as determined from time to time by the Board, but such rate per month shall not exceed 0.5% of the aggregate of the Class A Share Redemption Price (as hereinafter defined) of the then outstanding Class A shares, divided rateably amongst the holders thereof. If, within 6 months after the expiration of any financial year of the Corporation, the Board in its discretion shall not have declared any such dividends on the Class A shares for any month in such financial year, then the rights of the holders of the Class A shares to such dividends for such financial year shall be forever extinguished. The holders of the Class A shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

2. Liquidation, Dissolution or Winding Up

Subject to the prior rights of the holders of any shares ranking senior to the Class A shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, in the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Class A shares shall be entitled to receive, from the assets and the property of the Corporation, for each such Class A share held by them, an amount equivalent to the Class A Share Redemption Price (as hereinafter defined) together with all dividends declared and remaining unpaid on such Class A share, *pari passu* with the holders of the Multiple Voting Shares and Subordinate Voting Shares of the Corporation. After payment to the holders of the Class A shares of the amounts so payable to them as above provided, they shall not be entitled to share in any further distribution of the assets or property of the Corporation.

3. Purchase for Cancellation

The Corporation may at any time or from time to time, subject to the provisions of the OBCA, purchase (if obtainable) for cancellation all or any part of the Class A shares then outstanding pursuant to tenders or, with the unanimous consent of the holders of all issued Class A shares, by private contract at the lowest price at which, in the opinion of the Board, such shares are obtainable but not exceeding, for each Class A share an amount equivalent to the Class A Share Redemption Price (as hereinafter defined) and all dividends declared and remaining unpaid on such Class A share. If, in response to an invitation for tenders, two or more shareholders submit tenders at the same price and, if such tenders are accepted by the Corporation in whole or in part, then, unless the Corporation accepts all such tenders in whole, the Corporation shall accept such tenders pro-rata disregarding fractions and the Board may make such adjustments as may be necessary to avoid the purchase of fractional parts of shares.

4. **Redemption**

The Corporation may redeem at any time the whole or from time to time any part of the then outstanding Class A shares on payment, subject to the provisions of s.32(2) of the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced (and in the case of such amendment, re-enactment or replacement, any references herein shall be read as referring to such amended, re-enacted or replaced provisions), for each Class A share to be redeemed, of an amount equivalent to the aggregate fair market value, as determined by the Board, of the aggregate consideration for which the Class A shares then outstanding were issued, divided by the number of the Class A shares then outstanding and is herein referred to as the "**Class A Share Redemption Price**", together with all dividends declared and remaining unpaid on such Class A share. Provided, however, that if the Minister of National Revenue shall determine that the aggregate fair market value of the aggregate consideration for which the Class A shares were issued, is greater than or less than the fair market value as determined by the Board, then the Class A Share Redemption Price shall be adjusted as may be appropriate to reflect the fair market value determined by the Minister of National Revenue or such other amount as may be finally determined by virtue of objections and/or appeals taken pursuant to the *Income Tax Act* (Canada) in the event that such objections and/or appeals are taken. In case a part only of the then outstanding Class A shares is at any time to be redeemed, the shares so to be redeemed shall be selected pro-rata disregarding fractions and the Board may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares; provided that, with the consent of the holders of all of the then outstanding Class A shares, the Class A shares to be redeemed may be selected in any other manner including, without limitation, the selection of all or any part of the Class A shares of any particular holder or holders thereof.

The "specified amount" for each Class A share for purposes of subsection 191(4) of the *Income Tax Act* (Canada) shall be \$1.00 per share.

5. **Certain Redemption Requirements**

In the case of redemption of Class A shares under the provisions of clause 4 hereof, the Corporation shall give such notice (if any) as the Board may determine to each registered

holder of the Class A shares to be redeemed of the intention of the Corporation to redeem such Class A shares. On the date specified by the Board for redemption, the Corporation shall pay to or to the order of the registered holder of the Class A shares to be redeemed, for each Class A share to be redeemed, the Class A Share Redemption Price together with all dividends declared and remaining unpaid on such Class A share, on presentation and surrender to the Corporation of the certificate or certificates representing the Class A shares to be redeemed. If any holder has not surrendered the certificate for a Class A share to be redeemed, the Corporation may pay the Class A Share Redemption Price and all dividends declared and remaining unpaid on such Class A share to an account in any chartered bank in Canada (of which notice shall be given to such holder) to be paid without interest to or to the order of the holder of such Class A share called for redemption upon presentation and surrender to such bank of the certificate representing the same, and upon such deposit being made or upon the date specified by the Board for redemption, whichever is the later, the Class A shares in respect whereof payment shall have been made shall be redeemed and the rights of the holders thereof shall thereafter be limited to receiving- without interest their proportionate part of the amounts so deposited against presentation and surrender of the said certificates held by them respectively.

6. **Retraction**

The Corporation shall, at the request of any holder of Class A shares and upon being given notice as hereinafter contained, redeem at any time the whole or from time to time any part of the Class A shares of such holder on payment subject to the provisions of s.32(2) of the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced (and in the case of such amendment, re-enactment or replacement, any references herein shall be read as referring to such amended, re-enacted or replaced provisions), for each Class A share to be redeemed, of an amount equivalent to the Class A Share Redemption Price together with all dividends declared and remaining unpaid on such Class A shares.

7. **Retraction Notice**

The redemption right provided for in clause 6 hereof may be exercised by notice in writing given to the Corporation at its registered office accompanied by the certificate or certificates representing the Class A shares in respect of which the holder thereof desires to exercise such right of redemption and such notice shall be signed by the person registered on the records of the Corporation as the holder of the Class A shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify the number of Class A shares which the holder desires to have redeemed. Within 60 days of the date of mailing by registered mail of the notice in writing hereinbefore referred to, the Corporation shall pay or cause to be paid to or to the order of the registered holder of the Class A shares to be redeemed, for each Class A share to be redeemed, the Class A Share Redemption Price together with all dividends declared and remaining unpaid on such Class A share. If a part only of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

8. **Voting Rights**

Except as required by law, the holders of the Class A shares will not be entitled to receive notice of, or to attend or vote at any meeting of the Shareholders.

PREFERRED SHARES

D. The Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Preferred Shares May be Issued in One or More Series

The Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of Preferred Shares as may, before the issue thereof, be determined by resolution of the Board. Subject to the provisions of the OBCA, the Board may, by resolution, fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series including, without limitation, any right to receive dividends (which may be cumulative or noncumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights on the liquidation, dissolution or winding up of the Corporation and any sinking fund or other provisions, the whole to be subject to the filing of articles of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the series.

2. Dividends

Preferred Shares of each series, if and when issued, will, with respect to the payment of dividends, rank on a parity with the Preferred Shares of every other series and will be entitled to preference over the Multiple Voting Shares, the Subordinate Voting Shares or any other shares of the Corporation ranking junior to the Preferred Shares with respect to payment of dividends. If any amount of cumulative dividends (whether or not declared) or any amount payable on any such distribution of assets constituting a return of capital in respect of the Preferred Shares of any series is not paid in full, the Preferred Shares of such series shall participate rateably with the Preferred Shares of every other series in respect of all such dividends and amounts.

3. Voting Rights

Except as required by law, the Preferred Shares will not be entitled to receive notice of, attend or vote at any meeting of the Shareholders.

4. Rights on Liquidation

In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of Preferred Shares will be entitled to preference with respect to distribution of the property or assets of the Corporation over the Multiple Voting Shares, the Subordinate Voting Shares, the Class A shares or any other shares of the Corporation ranking junior to the Preferred Shares with respect to the repayment of paid-up capital remaining after payment of all outstanding debts on a pro rata basis, and

the payment of any or all declared but unpaid cumulative dividends, or any or all declared but unpaid non-cumulative dividends, on the Preferred Shares.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

None

10. Other provisions, (if any):
Autres dispositions, s'il y a lieu :

None

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.

12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Name and **original signature** of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatories name and description of office (e.g. president, secretary). **Only a director or authorized signing officer can sign on behalf of the corporation.** / Nom et **signature originale** d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). **Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.**

SPIN MASTER CORP.

Names of Corporations / Dénomination sociale des sociétés

By / Par



Signature / Signature

Anton Rabic

Print name of signatory /
Nom du signataire en lettres moulées

Chief Executive Officer

Description of Office / Fonction

SML INVESTMENTS 2008 INC.

Names of Corporations / Dénomination sociale des sociétés

By / Par



Signature / Signature

Anton Rabic

Print name of signatory /
Nom du signataire en lettres moulées

President

Description of Office / Fonction

VARADI BEE CORP.

Names of Corporations / Dénomination sociale des sociétés

By / Par



Signature / Signature

Ben Varadi

Print name of signatory /
Nom du signataire en lettres moulées

President

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /
Nom du signataire en lettres moulées

Description of Office / Fonction

SCHEDULE A

**STATEMENT OF DIRECTOR OR OFFICER
PURSUANT TO SUBSECTION 178(2) OF
THE BUSINESS CORPORATIONS ACT (ONTARIO)**

The undersigned, Anton Rabie, of the City of Toronto, Province of Ontario, hereby certifies and states as follows:

1. This statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario).
2. I am a Chief Executive Officer of Spin Master Corp., one of the amalgamating corporations, (hereinafter called the "Corporation"), and as such have knowledge of its affairs.
3. I have conducted such examination of the books and records of the Corporation as are necessary to enable me to make the statements hereinafter set forth.
4. There are reasonable grounds for believing that:
 - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due; and
 - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes.
5. There are reasonable grounds for believing that no creditor will be prejudiced by the amalgamation.

DATED the 29th day of July, 2015.



Anton Rabie, Chief Executive Officer

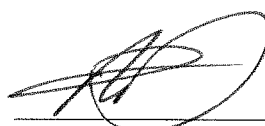
SCHEDULE A

STATEMENT OF DIRECTOR OR OFFICER PURSUANT TO SUBSECTION 178(2) OF THE BUSINESS CORPORATIONS ACT (ONTARIO)

The undersigned, Anton Rabie, of the City of Toronto, Province of Ontario, hereby certifies and states as follows:

1. This statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario).
2. I am the President of SML Investments 2008 Inc., one of the amalgamating corporations, (hereinafter called the "Corporation"), and as such have knowledge of its affairs.
3. I have conducted such examination of the books and records of the Corporation as are necessary to enable me to make the statements hereinafter set forth.
4. There are reasonable grounds for believing that:
 - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due; and
 - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes.
5. There are reasonable grounds for believing that no creditor will be prejudiced by the amalgamation.

DATED the 29th day of July, 2015.



Anton Rabie, President


SCHEDULE A

**STATEMENT OF DIRECTOR OR OFFICER
PURSUANT TO SUBSECTION 178(2) OF
THE BUSINESS CORPORATIONS ACT (ONTARIO)**

The undersigned, Ben Varadi, of the City of Toronto, Province of Ontario, hereby certifies and states as follows:

1. This statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario).
2. I am the President of Varadi Bee Corp., one of the amalgamating corporations, (hereinafter called the "Corporation"), and as such have knowledge of its affairs.
3. I have conducted such examination of the books and records of the Corporation as are necessary to enable me to make the statements hereinafter set forth.
4. There are reasonable grounds for believing that:
 - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due; and
 - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes.
5. There are reasonable grounds for believing that no creditor will be prejudiced by the amalgamation.

DATED the 29th day of July, 2015.



Ben Varadi, President

SCHEDULE B

THIS AMALGAMATION AGREEMENT is made effective as of 10:30 a.m. on the 29th day of July, 2015

A M O N G:

SPIN MASTER CORP., a corporation governed by the *Business Corporations Act* (Ontario),

("SMC")

- and -

SML INVESTMENTS 2008 INC., a corporation governed by the *Business Corporations Act* (Ontario),

("SML 2008")

- and -

VARADI BEE CORP., a corporation governed by the *Business Corporations Act* (Ontario),

("Varadi Bee")

RECITALS:

A. SMC was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) by Certificate and Articles of Incorporation dated June 9, 2004 and its authorized capital consists of an unlimited number of Class A common shares, an unlimited number of Class B common shares, an unlimited number of Class A1 common shares, Series I, an unlimited number of Class A1 common shares, Series II, an unlimited number of Class A1 preference shares, an unlimited number of Class A2 preference shares, an unlimited number of Class X preference shares, an unlimited number of Class X1 preference shares, an unlimited number of Class X2 preference shares and an unlimited number of Class Y preference shares, of which 50 Class A1 common shares, Series I, 50 Class A1 common shares, Series II, 124,688,727 Class A1 preference shares, 124,688,727 Class A2 preference shares and 43,568,000 Class Y preference shares have been issued and are currently outstanding.

B. SML 2008 was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) by Certificate and Articles of Incorporation dated April 21, 2008 and its authorized capital consists of an unlimited number of Class A common shares, Series I, an unlimited number of Class A common shares, Series II, an unlimited number of Class A preference shares and an unlimited number of Class B preference shares, of which 318,182 Class A common shares, Series I, 62,875 Class A common shares, Series II and 6,100,000 Class A preference shares have been issued and are currently outstanding.

C. Varadi Bee was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) by Certificate and Articles of Incorporation dated April 22, 2008 and its authorized capital consists of an unlimited number of Class A Common shares, an unlimited number of Class B Preference shares and an unlimited number of Class Z Preference shares, of which 100

Class A common shares and 43,568,000 Class Z Preference shares have been issued and are currently outstanding.

D. The Parties to this Agreement, having made full disclosure each to the others of all their respective assets and liabilities, have determined that it is desirable that their amalgamation should be effected and, acting under the authority contained in the *Business Corporations Act* (Ontario), have agreed to amalgamate and continue as one corporation upon the terms and conditions set out in this Agreement.

THEREFORE, the Parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

Whenever used in this Agreement, the following terms shall have the respective meanings ascribed to them as follows:

- (a) “**Act**” means the *Business Corporations Act* (Ontario) as amended from time to time and includes any regulations made pursuant to such Act and any term defined in the Act and not otherwise defined herein is used in this Agreement with the same meaning;
- (b) “**Agreement**” means this amalgamation agreement;
- (c) “**Amalgamated Corporation**” means the corporation continuing from the amalgamation of the Amalgamating Corporations;
- (d) “**Amalgamating Corporations**” means SMC, SML 2008 and Varadi Bee;
- (e) “**Amalgamation**” means the amalgamation of the Amalgamating Corporations as contemplated in this Agreement;
- (f) “**Board**” means the board of directors of the Amalgamated Corporation, it being understood that references herein to matters to be decided by the Board shall not be in derogation of the rights of the Board pursuant to the provisions of Section 127 of the Act;
- (g) “**Effective Date**” means the date of the amalgamation as set forth in the certificate of amalgamation issued to the Amalgamated Corporation;
- (h) “**Effective Time**” means 10:30 a.m. on the Effective Date; and
- (i) “**Parties**” means the Amalgamating Corporations.

Words and phrases used in this Agreement and defined in the Act shall have the same meaning in this Agreement as in the Act unless the context or subject matter otherwise requires.

ARTICLE 2 **IMPLEMENTATION**

2.1 Agreement to Amalgamate

The Amalgamating Corporations do hereby agree to amalgamate pursuant to the provisions of Section 174 of the Act as of the Effective Time and to continue as one corporation on the terms and conditions set out in this Agreement.

2.2 Effect

Upon the amalgamation of the Amalgamating Corporations and their continuance as one corporation becoming effective:

- (a) the Amalgamated Corporation shall possess all the property, rights, privileges and franchises and shall be subject to all liabilities; including civil, criminal and quasi-criminal and all contracts, liabilities and debts of each of the Amalgamating Corporations;
- (b) a conviction against, or ruling, order or judgment in favour or against any of the Amalgamating Corporations may be enforced by or against the Amalgamated Corporation;
- (c) the Amalgamated Corporation shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against any of the Amalgamating Corporations before the amalgamation has become effective; and
- (d) except for the purposes specified in the Act, the Amalgamated Corporation's articles of amalgamation shall be deemed to be its articles of incorporation and the Amalgamated Corporation's certificate of amalgamation shall be deemed to be its certificate of incorporation.

2.3 Termination

Notwithstanding the approval of this Agreement by their shareholders, the board of directors of any of the Amalgamating Corporations, without further shareholder approval, may terminate the amalgamation and this Agreement at any time before the issuance of a certificate of amalgamation.

2.4 Filing of Documents

Upon the shareholders of each of the Amalgamating Corporations approving this Agreement by special resolution in accordance with the Act, the Amalgamating Corporations shall jointly file with the Director under the Act articles of amalgamation and such other documents as may be required.

ARTICLE 3
ORGANIZATION

3.1 Name

The name of the Amalgamated Corporation shall be **SPIN MASTER CORP.**

3.2 Authorized Capital

The Amalgamated Corporation is authorized to issue the following shares:

- an unlimited number of multiple voting shares
- an unlimited number of multiple voting shares, Class I
- an unlimited number of subordinate voting shares
- an unlimited number of Class A shares
- an unlimited number of preference shares, issuable in series

The holders of the Multiple Voting shares, Multiple Voting shares, Class I, Subordinated Voting shares, Class A shares and preference shares, issuable in series shall have the rights, privileges, and are subject to the restrictions and conditions set out in Schedule A to this Agreement.

3.3 Business

There shall be no restrictions on the business the Amalgamated Corporation may carry on nor on the powers the Amalgamated Corporation may exercise.

3.4 Registered Office

Until changed in accordance with the Act, the place where the registered office of the Amalgamated Corporation is to be situated is the City of Toronto, in the Province of Ontario, and the address of the registered office of the Amalgamated Corporation shall be 450 Front Street West, Toronto, Ontario M5V 1B6.

3.5 By-laws

The by-laws of the Amalgamated Corporation shall not be those of any one of the Amalgamating Corporations. A copy of the by-laws may be examined at the registered office of the Amalgamated Corporation or at www.sedar.com.

ARTICLE 4
DIRECTORS AND OFFICERS

4.1 Directors

Until changed in accordance with the Act, the Board shall consist of such number of directors not more than eleven (11) and not less than three (3). Initially, the number of directors of the Amalgamated Corporation shall be three (3) and the first directors shall be the persons named below, whose addresses are set out opposite their respective names:

<u>Full Name</u>	<u>Address</u>	<u>Citizenship</u>
Anton Rabie	450 Front Street West Toronto ON M5V 1B6	Canadian
Ronnen Harary	450 Front Street West Toronto ON M5V 1B6	Canadian
Ben Varadi	450 Front Street West Toronto ON M5V 1B6	Canadian

Each director shall hold office until the first annual meeting of shareholders of the Amalgamated Corporation, or until his successor is elected or appointed.

ARTICLE 5 **ISSUED CAPITAL**

5.1 Transition

At the Effective Time of the Amalgamation, their issued and outstanding shares of the Amalgamating Corporations become issued and fully paid shares of the Amalgamated Corporation, or are cancelled, as the case may be, as follows:

- (a) Multiple Voting shares – 50 issued and outstanding Class A common shares, Series I, 50 issued and outstanding Class A common shares, Series II, 124,688,727 issued and outstanding Class A1 preference shares and 124,688,727 issued and outstanding Class A2 preference shares in the capital of SMC become 66,533,478 Multiple Voting shares in the capital of the Amalgamated Corporation;
- (b) Multiple Voting shares, Class I – 100 issued and outstanding Class A common shares in the capital of Varadi Bee become 10,726,890 Multiple Voting shares, Class I shares in the capital of the Amalgamated Corporation;
- (c) Class A shares – 43,568,000 issued and outstanding Class Y preference shares in the capital of SMC become 43,568,000 Class A shares in the capital of the Amalgamated Corporation;
- (d) Cancelled Shares - the following shares are cancelled:
 - (i) 318,182 issued and outstanding Class A common shares, Series I and 6,100,000 issued and outstanding Class A preference shares in the capital of SML 2008 held by SMC, without any repayment of capital in respect thereof;
 - (ii) 62,875 issued and outstanding Class A common shares, Series II in the capital of SML 2008 held by Varadi Bee, without any repayment of capital in respect thereof;

- (iii) 43,568,000 issued and outstanding Class Z preference shares in the capital of Varadi Bee held by SMC, without any repayment of capital in respect thereof;
- (iv) all authorized but unissued shares in the capital of each of the Amalgamating Corporations;

with the result that, immediately after the amalgamation becomes effective, there shall be outstanding as fully paid and non-assessable 66,533,478 Multiple Voting shares, 10,726,890 Multiple Voting shares, Class I and 43,568,000 Class A shares.

5.2 Share Certificates

After the amalgamation becomes effective, the shareholders of each of the Amalgamating Corporations, when requested by the Amalgamated Corporation shall, surrender for cancellation the certificates representing shares held by them in each of the Amalgamating Corporations, and shall be entitled to receive, upon request, certificates for shares of the Amalgamated Corporation on the basis aforesaid.

ARTICLE 6 GENERAL

6.1 Further Assurances

The Parties shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

6.2 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

6.3 Miscellaneous

- (a) Time is of the essence in the performance of the respective obligations of the parties hereto.
- (b) This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.
- (c) This Agreement enures to the benefit of and is binding upon the parties herto and their successors and assigns.

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IN WITNESS OF WHICH the parties have duly executed this Agreement.

SPIN MASTER CORP.

Per: 

Anton Rabie, Chief Executive Officer
I have the authority to bind the corporation

SML INVESTMENTS 2008 INC.

Per: 

Anton Rabie, President
I have the authority to bind the corporation

VARADI BEE CORP.

Per: 

Ben Varadi, President
I have the authority to bind the corporation

[signature page to Amalgamation Agreement]

SCHEDULE A TO AMALGAMATION AGREEMENT

Rights, Privileges, Restrictions and Conditions Attaching to Each Class of Shares of the Amalgamated Corporation

INTERPRETATION

A. All initially capitalized words and phrases set out in these articles shall, unless specifically stated otherwise, have the meanings attributed thereto, respectively, as follows:

- (a) "**Affiliate**" shall have the following meaning: a Person is an Affiliate of another Person if:
 - (i) one of them is a Subsidiary of the other; or
 - (ii) each of them is Controlled by the same Person;
- (b) "**Articles of Amalgamation (Form 4)**" means the articles of amalgamation of the Corporation;
- (c) "**Board**" means the Corporation's board of directors;
- (d) "**Bought Deal**" means an Underwritten Offering as described in the definition of "bought deal agreement" in Section 7.1 of National Instrument 44-101 – *Short Form Prospectus Distributions*;
- (e) "**Business Day**" means any day, other than Saturday, Sunday or any statutory holiday in the Province of Ontario;
- (f) "**Canadian Reporting Jurisdictions**" means those provinces or territories of Canada in which the Corporation is a "reporting issuer" within the meaning of the securities legislation of such provinces or territories;
- (g) "**Ceara**" means Ceara Investment Holdings Inc.;
- (h) "**Celia**" means Celia Holdings Inc.;
- (i) "**Control**" shall have the following meaning: a Person (first person) is considered to control another Person (second person) if:
 - (i) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation;
 - (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership;

- (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person; or
- (iv) the first person possesses the right or power to direct or cause the direction of management and policies of the second person, whether through ownership of voting securities, operation of law, contract or otherwise, and including, as applicable, acting in the capacity of a trustee of a trust;

and the words "**Controlled by**", "**Controlling**" and similar words have corresponding meanings; provided that the first Person shall be deemed to also Control a Person Controlled by the second Person;

- (j) "**Director**" means a member of the Board;
- (k) "**Directors Election Meeting**" means a meeting of shareholders of the Corporation at which one or more Directors are to be elected to the Board;
- (l) "**Disability Date**" means that date on which a Principal first became Mentally Incapacitated and "**Disability Period**" means that period of time commencing on the Disability Date to and including the date upon which the Principal has been able to resume managing his affairs, as certified by 2 medical doctors. Unless and until a Mentally Incapacitated person has been able to manage his affairs for thirty (30) consecutive days, the period of Mental Incapacity will be deemed to have continued without interruption;
- (m) "**GN&C Committee**" means the Governance, Nominating and Compensation Committee of the Board and any replacement or successor committee of the Board that is responsible for governance matters (including the selection of Nominees) or the Board if there is no such committee;
- (n) "**Harary**" means Ronnen Harary;
- (o) "**HararyCo**" means Marathon Investment Holdings Ltd.;
- (p) "**Harary Group Shareholder**" means each of Harary, HararyCo, Ceara and any Affiliate or Permitted Assign of the foregoing that beneficially owns one or more Multiple Voting Shares and "**Harary Group Shareholders**" means all of the foregoing Persons collectively, and for purposes of determining the number of Shares held by the Harary Group Shareholders, all such holdings shall be aggregated;
- (q) "**IPO**" means the Corporation's initial public offering of Subordinate Voting Shares;
- (r) "**IPO Closing Day**" means the closing day of the IPO;
- (s) "**Independent Director**" means a Director who is independent of the Corporation within the meaning of National Instrument 52-110 – *Audit Committee* of the Canadian Securities Administrators, as amended or succeeded from time to time;

- (t) **“Majority Principals”** means each of Rabie and Harary for so long as they remain a Majority Principal pursuant to the provisions of the Principal Shareholders Agreement;
- (u) **“Mental Incapacity”** means such suffering from a state of mental disability, illness or disease as prevents a Majority Principal from being able to manage his own affairs, as certified by two (2) medical doctors and **“Mentally Incapacitated”** has a corresponding meaning;
- (v) **“Multiple Voting Shares”** means the multiple voting shares in the capital of the Corporation including the multiple voting shares, Class I;
- (w) **“Nominee”** or **“Nominees”** means the nominee and nominees that are proposed for election as Directors by the Corporation and included in a management information circular of the Corporation relating to the election of Directors;
- (x) **“OBCA”** means the *Business Corporations Act* (Ontario), as the same may be amended from time to time, and any successor legislation thereto, except where otherwise expressly provided;
- (y) **“Offering Documents”** means any document prepared in accordance with applicable Securities Laws that qualifies Subordinate Voting Shares for sale as may be necessary to file under the Securities Laws of one or more Canadian Reporting Jurisdictions in order for distributed Subordinate Voting Shares to become freely tradable to the public in all or some of the Canadian Reporting Jurisdictions;
- (z) **“Permitted Assign”** means any Person who owns Multiple Voting Shares following a Transfer of Multiple Voting Shares as permitted by the Principal Shareholders Agreement;
- (aa) **“Permitted Holder”** means any member of a Shareholder Group and/or a Related Entity of a member of a Shareholder Group;
- (bb) **“Person”** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other personal legal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (cc) **“Principal”** means each of Rabie, Harary and Varadi and **“Principals”** means all of the foregoing Persons collectively;
- (dd) **“Principal Shareholders Agreement”** means the Principal Shareholders Agreement dated the 29th day of July, 2015 between RabieCo, Celia, HararyCo, Ceara, VaradiCo, VaradiCo II, Rabie, Harary, Varadi and the Corporation.
- (ee) **“Rabie”** means Anton Rabie;

- (ff) “**RabieCo**” means Trumbanick Investments Ltd.;
- (gg) “**Rabie Group Shareholder**” means each of Rabie, RabieCo, Celia and any Affiliate or Permitted Assign of the foregoing that beneficially owns one or more Multiple Voting Shares and “**Rabie Group Shareholders**” means all of the foregoing Persons collectively, and for purposes of determining the number of Shares held by the Rabie Group Shareholders, all such holdings shall be aggregated;
- (hh) “**Related Entity**” means, in relation to a Person:
 - (i) the person to whom such Person is legally married or with whom such Person is living in a conjugal relationship outside of marriage at the relevant time;
 - (ii) the persons who are natural born or legally adopted children of such Person or are natural born or legally adopted descendants of such children;
 - (iii) any trust, provided that, (a) the beneficiaries of such trust include only Permitted Holders and their lineal descendants; or (b) at least one trustee of such trust is a Permitted Holder;
 - (iv) any Affiliate of such Person, or any Person related to, or affiliated with, such Person for purposes of the Tax Act; and
 - (v) upon the death of a Person that is an individual, means his or her estate or personal legal representatives;
- (ii) “**Securities Laws**” means, collectively, the applicable securities laws of Canada and each of the provinces and territories of Canada and the respective regulations, instruments and rules made under those securities laws together with all applicable published policy statements, notices, blanket orders and rulings of the securities commissions or regulatory authorities of Canada and of each of the provinces and territories of Canada and the applicable rules and requirements of any stock exchange on which securities of the Corporation are listed;
- (jj) “**Shares**” means, collectively, the Multiple Voting Shares and the Subordinate Voting Shares;
- (kk) “**Shareholder**” means any Person that is a registered holder of shares in the capital of the Corporation;
- (ll) “**Shareholder Group**” means each of: (a) the Rabie Group Shareholders (collectively as one Shareholder Group); (b) the Harary Group Shareholders (collectively as one Shareholder Group); and (c) the Varadi Group Shareholders (collectively as one Shareholder Group) and “**Shareholder Groups**” means all of them;
- (mm) “**Subordinate Voting Shares**” means the subordinate voting shares in the capital of the Corporation;

- (nn) **"Subsidiary"** means a Person that is Controlled directly or indirectly by another Person;
- (oo) **"Tax Act"** means the *Income Tax Act* (Canada), and the regulations thereunder, as may be amended from time to time, and any successor legislation thereto;
- (pp) **"Timely Notice"** means
 - (i) in the case of an annual meeting (including an annual and special meeting) of the shareholders, not less than thirty (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 fifty (50) days after the date (the **"Notice Date"**) that is the earlier of: (a) the date that a notice of meeting is filed for such meeting; and (b) the date on which the first public announcement of the date of the meeting was made, notice shall be given not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual meeting) of the shareholders called for the purpose of electing directors (whether or not also called for other purposes), not later than the close of business on the fifteenth (15th) day following the Notice Date.
- (qq) **"Transfer"** includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, directly or indirectly, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and the words **"Transferring"**, **"Transferred"** and similar words have corresponding meanings;
- (rr) **"Underwritten Offering"** shall mean a sale of securities of the Corporation to an underwriter for reoffering to the public pursuant to an Offering Document;
- (ss) **"Varadi"** means Ben Varadi;
- (tt) **"VaradiCo"** means LentilBerry Inc.;
- (uu) **"VaradiCo II"** means Varadi Invest Corp.; and
- (vv) **"Varadi Group Shareholder"** means each of Varadi, VaradiCo, VaradiCo II and any Affiliate or Permitted Assign of the foregoing that beneficially owns one or more Multiple Voting Shares and **"Varadi Group Shareholders"** means all of the foregoing Persons collectively, and for purposes of determining the number of Shares held by the Varadi Group Shareholders, all such holdings shall be aggregated.

MULTIPLE VOTING SHARES AND SUBORDINATE VOTING SHARES

B. The Multiple Voting Shares and the Subordinate Voting Shares shall have the following rights, privileges, restrictions and conditions:

1. **Dividends – Multiple Voting Shares and Subordinate Voting Shares**

- (a) Subject to the prior rights of the holders of any shares ranking prior to the Multiple Voting Shares and the Subordinate Voting Shares with respect to the payment of dividends and subject to the rights of the holders of multiple voting shares, Class I with respect to the payment of dividends, the holders of Multiple Voting Shares (which, for the purposes of this clause (a), shall not include the multiple voting shares, Class I) and the holders of Subordinate Voting Shares shall be entitled to receive dividends out of the assets of the Corporation legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine and the Corporation shall pay dividends thereon on a *pari passu* basis, if, as and when declared by the Board. For certainty, all dividends shall be declared and paid in equal or equivalent amounts per share and at the same time on all the Multiple Voting Shares and all the Subordinate Voting Shares at the time outstanding without preference or distinction. Any stock dividend declared and paid in respect of the Subordinate Voting Shares shall be in the form of Subordinate Voting Shares, and any stock dividend declared and paid in respect of Multiple Voting Shares shall also be in the form of Subordinate Voting Shares. The Board may declare and pay dividends on the Multiple Voting Shares and Subordinate Voting Shares without declaring or paying any dividends on any other class or classes of shares.
- (b) Subject to the prior rights of the holders of any shares ranking prior to the multiple voting shares, Class I with respect to the payment of dividends, the holders of multiple voting shares, Class I shall be entitled to receive dividends out of the assets of the Corporation legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine and the Corporation shall pay dividends thereon, if, as and when declared by the Board. The Board may declare and pay dividends on the multiple voting shares, Class I without declaring or paying any dividends on any other class or classes of shares.

2. **Voting Rights**

- (a) Each holder of Multiple Voting Shares and each holder of Subordinate Voting Shares shall be entitled to receive notice of and to attend all meetings of the Shareholders, except meetings at which only holders of another particular class or series of shares shall have the right to vote. At each such meeting, the holders of the Multiple Voting Shares shall be entitled to ten (10) votes for each Multiple Voting Share held and the holders of the Subordinate Voting Shares shall be entitled to one (1) vote for each Subordinate Voting Share held.
- (b) In addition to any other voting right or power to which the holders of Subordinate Voting Shares shall be entitled by law or regulation or other provisions of the articles of the Corporation from time to time in effect, but subject to the provisions hereof, holders of Subordinate Voting Shares shall be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of the articles of the

Corporation which would adversely affect the powers, preferences or rights of the holders of Subordinate Voting Shares, including an amendment to the terms of the articles of the Corporation that 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.

3. No Shareholder Approval Required

Notwithstanding Sections 170(1)(a), (b) and (e) of the OBCA (as such Sections existed on the date of the Articles of Amalgamation (Form 4)), the issuance by the Corporation of Preferred Shares of the Corporation shall not entitle the holders of shares of a class or of a series of the Corporation to vote separately as a class or series on a proposal to amend the Corporation's articles of amalgamation in respect of any matters contemplated by Sections 170(1)(a), (b) and (e) of the OBCA.

4. Automatic Conversion of Multiple Voting Shares to Subordinate Voting Shares

- (a) A Multiple Voting Share will automatically convert, without any further action on the part of the Corporation or the holder of such share, into a Subordinate Voting Share on a one-for-one basis if such Multiple Voting Share is transferred to, or held by, any Person who is not a Permitted Holder;
- (b) All Multiple Voting Shares will automatically convert, without any further action on the part of the Corporation or the holder of such share, into Subordinate Voting Shares on a one-for-one basis on the date on which the Majority Principals, acting jointly, decide to convert, in their sole discretion, all of the issued and outstanding Multiple Voting Shares; and
- (c) All Multiple Voting Shares will automatically convert, without any further action on the part of the Corporation or the holder of such shares, into Subordinate Voting Shares on a one-for-one basis (i) on the date on which the Shares beneficially owned, directly or indirectly, in the aggregate, by all Shareholder Groups constitute less than 15% of all of the issued and outstanding Shares or (ii) on the date when neither Rabie nor Harary is a Majority Principal, or (iii) the date upon which the Principal Shareholders Agreement has terminated pursuant to the provisions of such agreement.

5. Conversion Right attaching to the Multiple Voting Shares

- (a) Subject to the provisions of the Principal Shareholders Agreement, each holder of Multiple Voting Shares shall be entitled at its option at any time and from time to time to have all or any part of the Multiple Voting Shares held by it converted into fully paid and non-assessable Subordinate Voting Shares on the basis of one Subordinate Voting Share for each Multiple Voting Share in respect of which the conversion right is exercised.
- (b) The conversion right provided for in this clause 5 may be exercised by notice in writing given to the transfer agent for the Subordinate Voting Shares accompanied by the certificate representing the Multiple Voting Shares in respect

of which the holder desires to exercise such right of conversion, or the equivalent in any non-certificated inventory system (e.g. Direct Registration System) administered by any applicable depository and transfer agent, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Multiple Voting Shares or by his or her duly authorized attorney and shall specify the number of Multiple Voting Shares which the holder desires to have converted. The holder shall pay any governmental or other tax imposed on or in respect of such conversion. Upon receipt by the transfer agent of such notice and certificate, the Corporation shall issue or cause to be issued to the holder a certificate, or the equivalent in any non-certificated inventory system (e.g. Direct Registration System) administered by any applicable depository and transfer agent, representing fully paid, non-assessable Subordinate Voting Shares on the basis prescribed above and in accordance with the provisions hereof. 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 number of Multiple Voting Shares represented by the original certificate which are not to be converted. The holders of Subordinate Voting Shares do not have any redemption or conversion rights.

6. **Restrictions on Creation and Issue of Additional Voting Shares**

Other than in respect of the Multiple Voting Shares and the Subordinate Voting Shares, the Corporation shall not create any class of shares carrying the right to vote.

7. **Restriction on the Issuance of Additional Multiple Voting Shares**

From and after the closing of the IPO, the Corporation may not issue additional Multiple Voting Shares, except in connection with a subdivision or consolidation of Shares on a proportionate basis (with reference to the number of shares outstanding) as between the Subordinate Voting Shares and the Multiple Voting Shares.

8. **Subdivision and Consolidation**

Neither the Multiple Voting Shares nor the Subordinate Voting Shares shall be increased in number by reason of being subdivided, nor decreased in number by reason of being consolidated, unless contemporaneously therewith the shares of the other class are subdivided or consolidated in the same proportion and in the same manner.

9. **Additional Issue**

Except for the pre-emptive rights set forth herein, the Corporation shall not grant rights to holders of Multiple Voting Shares or Subordinate Voting Shares to acquire additional shares or other securities or property of the Corporation unless the same rights are concurrently given to holders of the other class of shares.

10. **Pre-Emptive Rights**

- (a) No Subordinate Voting Shares or securities convertible into or exchangeable for Subordinate Voting Shares or any voting or equity securities of the Corporation or

an option or other right to acquire any such securities (the “**Issued Securities**”) will be issued by the Corporation or any of its Subsidiaries and no option or other right for the purchase of or subscription for any Issued Securities will be granted at any time after the closing of the IPO except upon compliance with this clause 10.

- (b) If the Corporation or any of its Subsidiaries proposes to distribute any Issued Securities, the Shareholder Groups shall be entitled to participate in such issuance on a pro rata basis, but only to the extent necessary to maintain the Shareholder Groups direct and indirect effective pro rata equity ownership interest in the Corporation. At least fifteen (15) Business Days prior to the closing of any such proposed distribution, the Corporation shall deliver to the Shareholder Groups a notice in writing offering the Shareholder Groups the opportunity to subscribe for a pro rata number of Issued Securities (the “**Offered Issued Securities**”). The offer will contain a description of the terms and conditions relating to the Issued Securities and will, to the extent known, state the price at which the Issued Securities will be distributed and the date on which the issuance of Issued Securities is to be completed and will state that the Shareholder Groups, if any wish to subscribe for Issued Securities, may do so only by giving written notice of the exercise of the subscription right granted hereby to the Corporation within ten (10) Business Days after the date of the offer, provided that if the Corporation receives a Bought Deal relating to such distribution of shares, the Shareholder Groups shall have not less than 24 hours from the time the Corporation advises them of such Bought Deal to provide the written notice to the Corporation in accordance with the provisions of the Principal Shareholders Agreement. The Shareholder Groups will be entitled to participate in the issuance of the Issued Securities at the most favourable price and on the most favourable terms (notwithstanding the terms and conditions, including the price at which it is anticipated the Issued Securities will be distributed, set out in the notice by the Corporation to the Shareholder Groups referred to above) as such Issued Securities are to be offered to any party, excluding commissions and other transaction expenses paid by the Corporation.
- (c) If any of the Offered Issued Securities of any issue are not subscribed for within the period of ten (10) Business Days after they are offered to the Shareholder Groups (or in the event that the Corporation receives a Bought Deal, the applicable subscription period provided to the Shareholder Groups which shall not be less than 24 hours from the time the Corporation advises them of such Bought Deal), then any Shareholder Group that exercised its subscription right, in full, as set out above, shall be entitled, within 24 hours of receipt of a written notice from the Corporation in respect thereof (which notice shall be provided by the Corporation forthwith following the end of the applicable subscription period provided to the Shareholder Groups pursuant to the provisions of the Principal Shareholders Agreement), to purchase its proportionate share (among such purchasing Shareholder Groups that wish to purchase additional unsubscribed for Offered Issued Securities) of any unsubscribed for Offered Issued Securities. Thereafter, the Corporation or its relevant Subsidiary may offer such unsubscribed Issued Securities within the period of ninety (90) days after the end

of the applicable subscription period provided to the Shareholder Groups pursuant to the provisions of the Principal Shareholders Agreement to any Person, but the price at which such Issued Securities may be issued will not be less than the subscription price offered to the Shareholder Groups and the terms of payment for such Issued Securities will not be more favourable to such person than the terms of payment offered to the Shareholder Groups.

- (d) If the Corporation or any of its Subsidiaries proposes to grant an option or other right for the purchase of or subscription for Issued Securities, such option or other right will also be made available to the Shareholder Groups as nearly as may be possible in accordance with the foregoing.
- (e) The provisions of clause 10 will not apply to any issues of Issued Securities or to the grant of any option or other right for the purchase of or subscription for any Issued Securities:
 - (i) Upon the conversion of any Multiple Voting Shares to Subordinate Voting Shares;
 - (ii) In connection with any exercise of options, warrants, rights or other securities issued under the Corporation's security-based compensation arrangements, if any;
 - (iii) In connection with a subdivision of then-outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares;
 - (iv) That are equity securities of the Corporation in lieu of cash dividends, if any;
 - (v) Pursuant to a shareholders' rights plan of the Corporation, if any;
 - (vi) Pursuant to a dividend reinvestment plan of the Corporation, if any;
 - (vii) Upon the exercise by a holder of a conversion, exchange or other similar privilege pursuant to the terms of a security in respect of which the holder of Multiple Voting Shares did not exercise, failed to exercise, or waived, its rights under clause 10 or in respect of which such pre-emptive rights did not apply;
 - (viii) To the Corporation or any Subsidiary of the Corporation or an Affiliate of any of them;
 - (ix) In the event that the rights of any Shareholder Group under clause 10 are waived by such Shareholder Group (but only in respect of that Shareholder Group); and
 - (x) Pursuant to an over-allotment option granted to the agents or underwriters, as applicable, in connection with the IPO.

- (f) A Shareholder Group, and the members thereof, shall cease to have the benefit of any pre-emptive rights pursuant to the provisions of clause 10: (a) from and after the date upon which the Principal of such group dies or the Shares beneficially owned, directly or indirectly, in the aggregate, by such Shareholder Group are less than 8% of all of the issued and outstanding Shares; or (b) during any Disability Period with respect to the Principal of such group.

11. Demand Registration Right

- (a) Subject to the rights of first offer set out in the Principal Shareholders Agreement, in the event a holder of Multiple Voting Shares is entitled to sell to one or more third parties any Subordinate Voting Shares (including those issuable upon the conversion of Multiple Voting Shares) as permitted by the Principal Shareholders Agreement, such holder of Multiple Voting Shares (the “**Selling Shareholder**”) may, by written notice (the “**Demand Notice**”), require the Corporation to prepare and file the necessary Offering Documents with one or more Canadian securities regulatory authorities or otherwise to qualify Subordinate Voting Shares for distribution in one or more Canadian Reporting Jurisdictions (a “**Demand Registration**”), and the Corporation will otherwise take or cause to be taken all actions as may be necessary or desirable, in order to effect a public offering of the Subordinate Voting Shares by the Selling Shareholder (a “**Secondary Offering**”). The Demand Notice shall state: (a) the number of Subordinate Voting Shares (including those issuable upon the conversion of Multiple Voting Shares) the Selling Shareholder wishes to sell in the Secondary Offering; (b) describe the nature or methods of the proposed distribution thereof, including whether such distribution shall be made by an Underwritten Offering; (c) if the proposed distribution is an Underwritten Offering, specify the proposed managing underwriter or underwriters to administer the Underwritten Offering; and (d) specify the Canadian Reporting Jurisdictions in which such distribution shall be made, provided that the Corporation is, on the date of giving of the Demand Notice, a reporting issuer in each such Canadian Reporting Jurisdiction. The amount of the proposed Secondary Offering must be at least \$25 million (including Subordinate Voting Shares to be sold by the Selling Shareholder, Additional Selling Shareholders and the Corporation, as the case may be). The Selling Shareholder shall send the Demand Notice to each of the Shareholder Groups and the Corporation. If any other Shareholder Group wishes to participate with the Selling Shareholder in the Secondary Offering (an “**Additional Selling Shareholder**”) then such Additional Selling Shareholder shall notify the Selling Shareholder, the other Shareholder Group and the Corporation, in writing, of such intention (the “**Secondary Offering Notice**”) within five (5) Business Days of receipt of the Demand Notice. The Secondary Offering Notice shall state the number of Subordinate Voting Shares (including those issuable upon the conversion of Multiple Voting Shares) the Additional Selling Shareholder(s) wish to sell in the Secondary Offering, such number not to exceed the number of Subordinate Voting Shares to be offered by the Selling Shareholder. Any Additional Selling Shareholders and the Selling Shareholder are hereinafter referred to as the “**Selling Shareholders**”. The Corporation may also include previously unissued Subordinate Voting Shares in the Secondary Offering in such

number as the Board may approve. The Corporation shall not include in any Demand Registration any securities other than Subordinate Voting Shares offered by the Selling Shareholders or the Corporation.

12. **Piggy Back Registration Right**

- (a) A holder of Multiple Voting Shares will also have unlimited registration rights relating to the inclusion of their Subordinate Voting Shares (including those issuable upon the conversion of Multiple Voting Shares) in any prospectus filed by the Corporation in one or more of the Canadian Reporting Jurisdictions (a “**Primary Offering**”).

13. **Rights on Liquidation**

Subject to the prior rights of the holders of any shares ranking senior to the Multiple Voting Shares and the Subordinate Voting Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among the Shareholders for the purpose of winding-up its affairs, the holders of Multiple Voting Shares and Subordinate Voting Shares, without preference or distinction, will be entitled to receive rateably all of the Corporation's assets remaining after payment of all debts and other liabilities.

14. **Board Nomination Rights**

- (a) The Majority Principals shall have the right, pursuant to the terms and subject to the conditions of this clause 14, to select 80% of the Nominees (the “**Majority Principal Nomination Rights**” and the right to select a Nominee shall be referred to as a “**Nomination Right**”) rounded down to the nearest whole number, provided that:
- (i) For so long as the Majority Principal Nomination Rights are in effect, the Majority Principals’ Nominees shall include:
 - (A) the Principals (so long as each Principal wants to be a Nominee and his Shareholder Group satisfies the Minimum Threshold); and
 - (B) subject to the provisions of clause 14(a)(vi), two Nominees that are Independent Directors;
 - (ii) Each Nominee selected by the Majority Principals shall be eligible to serve as a Director under the OBCA;
 - (iii) The Majority Principal Nominees Rights shall be reduced (i) to 60% of the Nominees, rounded down to the nearest whole number, if and when the Shares beneficially owned, directly or indirectly, in the aggregate, by all Shareholder Groups constitute less than 40% of the aggregate Shares held by such groups on the IPO Closing Day and (ii) to 35% of the Nominees,

rounded down to the nearest whole number, if and when the Shares beneficially owned, directly or indirectly, in the aggregate, by all Shareholder Groups constitute less than 20% of the aggregate Shares held by such groups on the IPO Closing Day;

- (iv) The Majority Principal Nomination Rights shall cease and no longer be effective from and after the date upon which all of the Multiple Voting Shares have been converted to Subordinate Voting Shares (the “**Conversion Date**”). From and after the Conversion Date the Corporation shall include as Nominees, in respect of each Directors Election Meeting, each Principal, or a nominee of such Principal, as determined solely by the Principal, if such Principal’s Shareholder Group beneficially owns, directly or indirectly, in the aggregate, Shares equal to or greater than 5% of all of the issued and outstanding Shares (the “**Minimum Threshold**”) provided that the Principal, or his nominee, as the case may be, is eligible to serve as a Director under the OBCA. The Principal shall provide the Corporation with Timely Notice of the name of its Nominee (together with the information regarding such Nominee to be included in the information circular of the Corporation to be sent to the shareholders of the Corporation in respect of such Directors Election Meeting) or, alternatively, state in such notice that the Principal does not wish to select a Nominee with respect to such Directors Election Meeting;
 - (v) Any Nomination Right not held by the Majority Principals shall rest with the GN&C Committee;
 - (vi) The requirement to nominate Independent Directors shall first be satisfied by the Nominees of the GN&C Committee and, if not sufficient, by the Majority Principal Nomination Rights; and
 - (vii) If, prior to his or her election to the Board, any Nominee is unable or unwilling to serve as a Director, then the Majority Principals or the GN&C Committee, as the case may be, that selected such Nominee, shall be entitled to designate a replacement. In the event of the resignation, death or incapacity of a Director that is serving on the Board, the Majority Principals or the GN&C Committee, as the case may be, that selected such Director shall be entitled to designate an individual to replace such Director to serve on the Board by delivery of a written notice to the Corporation within forty-five (45) days after the Director resigns, dies or becomes incapacitated, as applicable. Such individual shall be eligible to serve as a Director under the OBCA. Such individual shall be promptly appointed to the Board to serve until the next Directors Election Meeting or until his or her successor is elected or appointed.
- (b) The Corporation shall notify the Majority Principals of its intention to hold a Directors Election Meeting at least ninety (90) days prior to the date of such meeting.

- (c) The Majority Principals shall provide the Corporation with Timely Notice of its Nominees in connection with a Directors Election Meeting and the Corporation will include such Nominees as a nominee of the Board as a Director in the Corporation's information circular for such Directors Election Meeting.
- (d) The Majority Principals and the Corporation shall take appropriate measures, including adequate instructions to the GN&C Committee, in respect of the nomination of Independent Directors, to assure that the Corporation complies with applicable law, including applicable Securities Laws, with respect to the composition of the Board. For greater certainty, the Nominees of the GN&C Committee shall be resident Canadians (if required by applicable corporate law based on the Nominees selected by the Majority Principals).
- (e) For so long as the Majority Principals are entitled to the Majority Principal Nomination Rights, the Corporation shall not permit the adoption, amendment, modification, termination, waiver or departure of the terms of any charter of the GN&C Committee, without the written consent of the Majority Principals, if to do so would result in the terms of the Principal Shareholders Agreement not being complied with.
- (f) The selection of Nominees (including any Nominee selected by the GN&C Committee pursuant to the provisions of clause 14(a)(vii)) by the GN&C Committee shall be done in consultation with the Majority Principals. The following shall apply with respect to the selection of Nominees by the GN&C Committee in connection with a Directors Election Meeting:
 - (i) Not less than seventy-five (75) days before each Directors Election Meeting occurring after the date hereof, the GN&C Committee shall deliver to the Majority Principals, in writing, the names of the proposed Nominees of such committee together with the information regarding such proposed Nominees (including the number of securities in the Corporation and its Subsidiaries owned or controlled by each) to be included in the information circular of the Corporation to be sent to shareholders of the Corporation in respect of such Directors Election Meeting and such other information, including a biography of each, that is consistent with the information the Corporation intends to publish about such Nominees as directors of the Corporation in such information circular (the "**Nomination Letter**");
 - (ii) If the GN&C Committee provides the Nomination Letter within the time prescribed therefor, the Majority Principals shall promptly review the Nominee's credentials and, in the case of any Nominee not currently a Director, shall be entitled to interview such individual. In the event that the Majority Principals do not approve of one or more Nominees put forward by the GN&C Committee, such determination shall be communicated to the GN&C Committee no later than sixty (60) days prior to the Directors Election Meeting. The GN&C Committee may but is not obligated to designate an alternative Nominee for appointment as a

replacement nominee in accordance with the provisions of this clause 14(f) by providing a further Nomination Letter with respect to such alternative Nominee or Nominees, provided such further Nomination Letter shall be provided no later than the date which is fifty (50) days before the Directors Election Meeting for which such Nomination Letter has been provided and the Majority Principals will review that individual's credentials and shall be entitled to interview such individual; and

- (iii) The foregoing process shall apply mutatis mutandis to any further GN&C Committee Nominees not approved by the Majority Principals provided that the final selection of the GN&C Committee's Nominees shall be made by the GN&C Committee.

CLASS A SHARES

C. The Class A shares shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Dividend Entitlement

The holders of the Class A shares shall be entitled to receive when, as and if declared thereon by the Board, variable non-cumulative dividends at a rate per month as determined from time to time by the Board, but such rate per month shall not exceed 0.5% of the aggregate of the Class A Share Redemption Price (as hereinafter defined) of the then outstanding Class A shares, divided rateably amongst the holders thereof. If, within 6 months after the expiration of any financial year of the Corporation, the Board in its discretion shall not have declared any such dividends on the Class A shares for any month in such financial year, then the rights of the holders of the Class A shares to such dividends for such financial year shall be forever extinguished. The holders of the Class A shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

2. Liquidation, Dissolution or Winding Up

Subject to the prior rights of the holders of any shares ranking senior to the Class A shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, in the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Class A shares shall be entitled to receive, from the assets and the property of the Corporation, for each such Class A share held by them, an amount equivalent to the Class A Share Redemption Price (as hereinafter defined) together with all dividends declared and remaining unpaid on such Class A share, *pari passu* with the holders of the Multiple Voting Shares and Subordinate Voting Shares of the Corporation. After payment to the holders of the Class A shares of the amounts so payable to them as above provided, they shall not be entitled to share in any further distribution of the assets or property of the Corporation.

3. Purchase for Cancellation

The Corporation may at any time or from time to time, subject to the provisions of the OBCA, purchase (if obtainable) for cancellation all or any part of the Class A shares then outstanding pursuant to tenders or, with the unanimous consent of the holders of all issued Class A shares, by private contract at the lowest price at which, in the opinion of the Board, such shares are obtainable but not exceeding, for each Class A share an amount equivalent to the Class A Share Redemption Price (as hereinafter defined) and all dividends declared and remaining unpaid on such Class A share. If, in response to an invitation for tenders, two or more shareholders submit tenders at the same price and, if such tenders are accepted by the Corporation in whole or in part, then, unless the Corporation accepts all such tenders in whole, the Corporation shall accept such tenders pro-rata disregarding fractions and the Board may make such adjustments as may be necessary to avoid the purchase of fractional parts of shares.

4. **Redemption**

The Corporation may redeem at any time the whole or from time to time any part of the then outstanding Class A shares on payment, subject to the provisions of s.32(2) of the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced (and in the case of such amendment, re-enactment or replacement, any references herein shall be read as referring to such amended, re-enacted or replaced provisions), for each Class A share to be redeemed, of an amount equivalent to the aggregate fair market value, as determined by the Board, of the aggregate consideration for which the Class A shares then outstanding were issued, divided by the number of the Class A shares then outstanding and is herein referred to as the "**Class A Share Redemption Price**", together with all dividends declared and remaining unpaid on such Class A share. Provided, however, that if the Minister of National Revenue shall determine that the aggregate fair market value of the aggregate consideration for which the Class A shares were issued, is greater than or less than the fair market value as determined by the Board, then the Class A Share Redemption Price shall be adjusted as may be appropriate to reflect the fair market value determined by the Minister of National Revenue or such other amount as may be finally determined by virtue of objections and/or appeals taken pursuant to the *Income Tax Act* (Canada) in the event that such objections and/or appeals are taken. In case a part only of the then outstanding Class A shares is at any time to be redeemed, the shares so to be redeemed shall be selected pro-rata disregarding fractions and the Board may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares; provided that, with the consent of the holders of all of the then outstanding Class A shares, the Class A shares to be redeemed may be selected in any other manner including, without limitation, the selection of all or any part of the Class A shares of any particular holder or holders thereof.

The "specified amount" for each Class A share for purposes of subsection 191(4) of the *Income Tax Act* (Canada) shall be \$1.00 per share.

5. **Certain Redemption Requirements**

In the case of redemption of Class A shares under the provisions of clause 4 hereof, the Corporation shall give such notice (if any) as the Board may determine to each registered

holder of the Class A shares to be redeemed of the intention of the Corporation to redeem such Class A shares. On the date specified by the Board for redemption, the Corporation shall pay to or to the order of the registered holder of the Class A shares to be redeemed, for each Class A share to be redeemed, the Class A Share Redemption Price together with all dividends declared and remaining unpaid on such Class A share, on presentation and surrender to the Corporation of the certificate or certificates representing the Class A shares to be redeemed. If any holder has not surrendered the certificate for a Class A share to be redeemed, the Corporation may pay the Class A Share Redemption Price and all dividends declared and remaining unpaid on such Class A share to an account in any chartered bank in Canada (of which notice shall be given to such holder) to be paid without interest to or to the order of the holder of such Class A share called for redemption upon presentation and surrender to such bank of the certificate representing the same, and upon such deposit being made or upon the date specified by the Board for redemption, whichever is the later, the Class A shares in respect whereof payment shall have been made shall be redeemed and the rights of the holders thereof shall thereafter be limited to receiving- without interest their proportionate part of the amounts so deposited against presentation and surrender of the said certificates held by them respectively.

6. **Retraction**

The Corporation shall, at the request of any holder of Class A shares and upon being given notice as hereinafter contained, redeem at any time the whole or from time to time any part of the Class A shares of such holder on payment subject to the provisions of s.32(2) of the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced (and in the case of such amendment, re-enactment or replacement, any references herein shall be read as referring to such amended, re-enacted or replaced provisions), for each Class A share to be redeemed, of an amount equivalent to the Class A Share Redemption Price together with all dividends declared and remaining unpaid on such Class A shares.

7. **Retraction Notice**

The redemption right provided for in clause 6 hereof may be exercised by notice in writing given to the Corporation at its registered office accompanied by the certificate or certificates representing the Class A shares in respect of which the holder thereof desires to exercise such right of redemption and such notice shall be signed by the person registered on the records of the Corporation as the holder of the Class A shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify the number of Class A shares which the holder desires to have redeemed. Within 60 days of the date of mailing by registered mail of the notice in writing hereinbefore referred to, the Corporation shall pay or cause to be paid to or to the order of the registered holder of the Class A shares to be redeemed, for each Class A share to be redeemed, the Class A Share Redemption Price together with all dividends declared and remaining unpaid on such Class A share. If a part only of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

8. **Voting Rights**

Except as required by law, the holders of the Class A shares will not be entitled to receive notice of, or to attend or vote at any meeting of the Shareholders.

PREFERRED SHARES

D. The Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Preferred Shares May be Issued in One or More Series

The Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of Preferred Shares as may, before the issue thereof, be determined by resolution of the Board. Subject to the provisions of the OBCA, the Board may, by resolution, fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series including, without limitation, any right to receive dividends (which may be cumulative or noncumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights on the liquidation, dissolution or winding up of the Corporation and any sinking fund or other provisions, the whole to be subject to the filing of articles of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the series.

2. Dividends

Preferred Shares of each series, if and when issued, will, with respect to the payment of dividends, rank on a parity with the Preferred Shares of every other series and will be entitled to preference over the Multiple Voting Shares, the Subordinate Voting Shares or any other shares of the Corporation ranking junior to the Preferred Shares with respect to payment of dividends. If any amount of cumulative dividends (whether or not declared) or any amount payable on any such distribution of assets constituting a return of capital in respect of the Preferred Shares of any series is not paid in full, the Preferred Shares of such series shall participate rateably with the Preferred Shares of every other series in respect of all such dividends and amounts.

3. Voting Rights

Except as required by law, the Preferred Shares will not be entitled to receive notice of, attend or vote at any meeting of the Shareholders.

4. Rights on Liquidation

In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of Preferred Shares will be entitled to preference with respect to distribution of the property or assets of the Corporation over the Multiple Voting Shares, the Subordinate Voting Shares, the Class A shares or any other shares of the Corporation ranking junior to the Preferred Shares with respect to the repayment of paid-up capital remaining after payment of all outstanding debts on a pro rata basis, and

the payment of any or all declared but unpaid cumulative dividends, or any or all declared but unpaid non-cumulative dividends, on the Preferred Shares.