



Certificate of Amalgamation

Canada Business Corporations Act

Certificat de fusion

Loi canadienne sur les sociétés par actions

GROUPE STINGRAY DIGITAL INC.
STINGRAY DIGITAL GROUP INC.

Corporate name / Dénomination sociale

1016287-6

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

JE CERTIFIE que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion ci-joints.

Virginie Ethier

Director / Directeur

2017-04-01

Date of Amalgamation (YYYY-MM-DD)
Date de fusion (AAAA-MM-JJ)

**Canada Business Corporations Act (CBCA)
FORM 9
ARTICLES OF AMALGAMATION
(Section 185)**

1 - Corporate name of the amalgamated corporation
 GROUPE STINGRAY DIGITAL INC.
 STINGRAY DIGITAL GROUP INC.

2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)
 Québec

3 - The classes and any maximum number of shares that the corporation is authorized to issue
 The annexed Schedule A is incorporated in this form.

4 - Restrictions, if any, on share transfers
 None

5 - Minimum and maximum number of directors (for a fixed number of directors, please indicate the same number in both boxes)
 Minimum number Maximum number

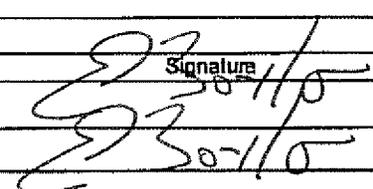
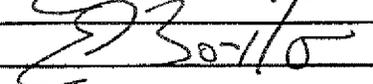
6 - Restrictions, if any, on the business the corporation may carry on
 None

7 - Other provisions, if any
 The annexed Schedule B is incorporated in this form.

8 - The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows:

<input type="checkbox"/> 183 - Long form : approved by special resolution of shareholders	<input checked="" type="checkbox"/> 184(1) - Vertical short-form : approved by resolution of directors	<input type="checkbox"/> 184(2) - Horizontal short-form : approved by resolution of directors
---	--	---

9 - Declaration
 I hereby certify that I am a director or an authorized officer of the following corporation:

Name of the amalgamating corporations	Corporation number	Signature
STINGRAY DIGITAL GROUP INC.	775159-1	
STINGRAY BUSINESS INC.	1015899-2	

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

SCHEDULE A

The classes and any maximum of shares that the Corporation is authorized to issue:

- Unlimited number of multiple voting shares (the “**Multiple Voting Shares**”), of subordinate voting shares (the “**Subordinate Voting Shares**”) and of variable subordinate voting shares (the “**Variable Subordinate Voting Shares**”);
- Unlimited number of special shares (the “**Special Shares**”); and
- Unlimited number of preferred shares issuable in one or more series (the “**Preferred Shares**”).

1. Interpretation.

1.1 Definitions.

For the purposes of this Schedule A, the following terms have the following meanings:

“**Aggregate Votes**” means the aggregate of the votes attached to all Voting Shares of the Corporation that may ordinarily be cast to elect directors of the Corporation;

“**Book-Entry Only System**” means the record book-entry only securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof;

“**Boyko Group**” means, collectively, Eric Boyko, Newco1 and Newco2;

“**Broadcasting Act**” means the Broadcasting Act, S.C. 1991, Ch. 11, and the regulations and directions promulgated thereunder, as amended from time to time;

“**Canadian**” shall have the meaning set forth in the Broadcasting Act or as specified in any regulation or direction made thereunder, as the same may be amended, supplemented or replaced, from time to time, including the Direction to the CRTC (*Ineligibility of Non-Canadians*) (SOR/97-192) made under the Broadcasting Act;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. (1985), c. C-44, as amended;

“**CBCA Regulations**” means any regulations promulgated from time to time under the CBCA;

“**Corporation**” means Stingray Digital Group Inc.;

“**Depository**” means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation;

“**Newco1**” means 8242003 Canada Inc.;

“**Newco2**” means 8978832 Canada Inc.;

“**non-Canadian**” shall have the meaning set forth in the Broadcasting Act or as specified in any regulation or direction made thereunder, as the same may be amended, supplemented or replaced, from time to time, including the Direction to the CRTC (*Ineligibility of Non-Canadians*) (SOR/97-192) made under the Broadcasting Act;

“**person**” means any individual, partnership, corporation, company, association, unincorporated organization, trust, joint venture or limited liability company;

“**Shares**” means, collectively, the Voting Shares and the Preferred Shares;

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

“**Transfer Agent**” means the transfer agent and the registrar of the Multiple Voting Shares, the Subordinate Voting Shares and the Variable Subordinate Voting Shares of the Corporation; and

“**Voting Share**” means the Multiple Voting Shares, the Subordinate Voting Shares, the Variable Subordinate Voting Shares and the Special Shares in the share capital of the Corporation and includes a security currently convertible into such a share and currently exercisable options and rights to acquire such shares or such a convertible security.

1.2 *Undefined Terms.*

All terms used in this Schedule A that are not defined herein shall have the meanings ascribed thereto in the CBCA. Any provision of this Schedule A shall be read so as to be consistent with the CBCA.

1.3 *Rules of Construction.*

Except as may be otherwise specifically provided in these articles of the Corporation and unless the context otherwise requires, in these articles of the Corporation:

- 1.3.1 the division of these articles of the Corporation into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these articles of the Corporation;
- 1.3.2 words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;
- 1.3.3 the word “including” is deemed to mean “including without limitation”;
- 1.3.4 any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;
- 1.3.5 any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and

1.3.6 whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a business day, such payment shall be made, action shall be taken or period shall expire on the next following business day.

2. Constraints on Ownership of Shares.

2.1 **Multiple Voting Shares.** The Multiple Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians, unless the provisions contained in or made under the Broadcasting Act relating to the ineligibility of a non-Canadian to hold a licence to operate a broadcasting undertaking are repealed and not superseded or replaced with other similar provisions in respect of Canadian ownership and control.

2.2 **Subordinate Voting Shares.** The Subordinate Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians, unless the provisions contained in or made under the Broadcasting Act relating to the ineligibility of a non-Canadian to hold a licence to operate a broadcasting undertaking are repealed and not superseded or replaced with other similar provisions in respect of Canadian ownership and control.

2.3 **Variable Subordinate Voting Shares.** The Variable Subordinate Voting Shares may only be beneficially owned or controlled, directly or indirectly, by non-Canadians.

2.4 **CBCA Constraints.** In the event that any Canadian federal or provincial legislation applicable to the Corporation, including the Broadcasting Act, should become a prescribed law for the purposes of subsections 174(1)(b) or (c) of the CBCA or any other similar provision in the CBCA or the CBCA Regulations, this Schedule A shall be read as if it included additional constraints that assist the Corporation or any of its affiliates or associates (within the meaning of the CBCA) to qualify under such prescribed law to receive licences, permits, grants, payments or other benefits by reason of attaining or maintaining a specified level of Canadian ownership and control and such specified level of Canadian ownership and control shall be the level of Canadian ownership and control designated by such prescribed law of Canada or of a province or territory, if applicable.

2.5 **Joint Ownership.** For the purposes of this Schedule A, where Voting Shares are beneficially owned or controlled by several persons jointly, the number of Voting Shares beneficially owned or controlled by any one such person shall include the number of Voting Shares beneficially owned or controlled jointly with such other persons. Where the Voting Shares are beneficially owned or controlled jointly by a non-Canadian and another person or persons, the Voting Shares shall be deemed to be owned or controlled by such person that is non-Canadian.

2.6 **Exceptions.** Nothing in this Schedule A shall be construed to apply in respect of Voting Shares that:

2.6.1.1 are held by one or more underwriters solely for the purpose of distributing the shares to the public; or

2.6.1.2 are held by any person that is acting in relation to the shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities.

2.6.2 The constraints imposed pursuant to this section 2 do not apply to the extent that a non-Canadian holds Voting Shares by way of security only and such holding by way of security only is evidenced in such form as may be prescribed by the by-laws or resolutions adopted by the shareholders or directors of the Corporation and filed by such holder with the Transfer Agent, if one exists, and if not, with the Secretary of the Corporation.

2.7 *Powers of Directors.*

2.7.1 In the administration of this Schedule A, the directors of the Corporation shall enjoy, in addition to the powers set forth herein, all of the powers necessary or desirable, in their opinion, to carry out the intent and purpose hereof, including but not limited to all powers contemplated by the provisions relating to constrained share corporations in the CBCA and the CBCA Regulations.

2.7.2 Neither any shareholder of the Corporation nor any other interested person shall have any claim or action against the Corporation or against any director or officer of the Corporation nor shall the Corporation have any claim or action against any director or officer of the Corporation arising out of any act (including any omission to act) performed pursuant to or in intended pursuance of the provisions of this Schedule A or any breach or alleged breach of such provisions.

3. **Subordinate Voting Shares, Variable Subordinate Voting Shares and Multiple Voting Shares.**

The rights, privileges, restrictions and conditions attaching to the Subordinate Voting Shares, the Variable Subordinate Voting Shares and the Multiple Voting Shares shall be as follows:

3.1 ***Dividends; Rights on Liquidation, Dissolution, or Winding-Up.*** The Subordinate Voting Shares, the Variable Subordinate Voting Shares and the Multiple Voting Shares shall be subject to and subordinate to the rights, privileges, restrictions and conditions attaching to the Preferred Shares and shall rank *pari passu*, share for share, as to the right to receive dividends and to receive the remaining property and assets of the Corporation on dissolution. For the avoidance of doubt, holders of Subordinate Voting Shares, Variable Subordinate Voting Shares and Multiple Voting Shares shall, subject always to the rights of the holders of Preferred Shares and of the holders of Special Shares, be entitled to receive (i) such dividends as the Board of Directors of the Corporation shall determine, and (ii) in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs, the remaining property and assets of the Corporation, in the case of (i) and (ii) an identical amount per share, at

the same time and in the same form (whether in cash or otherwise) as if such shares were of one class only, *provided, however*, in the event of a payment of a dividend in the form of Shares, holders of Subordinate Voting Shares shall receive Subordinate Voting Shares, holders of Variable Subordinate Voting Shares shall receive Variable Subordinate Voting Shares and holders of Multiple Voting Shares shall receive Multiple Voting Shares.

- 3.2 ***Meetings and Voting Rights.*** Each holder of Multiple Voting Shares and each holder of Subordinate Voting Shares shall be entitled to receive notice of and to attend and vote at, all meetings of shareholders of the Corporation, except meetings of which only holders of another particular class or series shall have the right to vote. At each such meeting, each Multiple Voting Share shall entitle the holder thereof to ten (10) votes and each Subordinate Voting Share shall entitle the holder thereof to one (1) vote.

Each holder of Variable Subordinate Voting Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except meetings of which only holders of another particular class or series shall have the right to vote. At each such meeting, each Variable Subordinate Voting Share shall entitle the holder thereof to one (1) vote per Variable Subordinate Voting Share, unless:

- 3.2.1 The total number of votes that may be exercised in respect of all issued and outstanding Variable Subordinate Voting Shares exceeds 20% of the total number of votes that may be exercised in respect of all issued and outstanding Voting Shares (or any higher percentage that would qualify the Corporation as a Canadian pursuant to the Broadcasting Act); or
- 3.2.2 the total number of votes cast by or on behalf of holders of Variable Subordinate Voting Shares at any meeting exceeds 20% (or any higher percentage that would qualify the Corporation as a Canadian pursuant to the Broadcasting Act) of the total number of votes that may be cast at such meeting.

If either of the above-noted thresholds is surpassed at any time, the votes attached to each Variable Subordinate Voting Share will decrease automatically and without further act or formality to equal the maximum permitted vote per Variable Subordinate Voting Share to ensure that the Variable Subordinate Voting Shares as a class cannot carry more than the maximum total number of votes permitted in subsection 3.2.1 or 3.2.2 as applicable.

- 3.3 ***Subdivision or Consolidation.*** No subdivision or consolidation of the Subordinate Voting Shares, the Variable Subordinate Voting Shares or the Multiple Voting Shares shall be carried out unless, at the same time, each class of the other Voting Shares are subdivided or consolidated in the same manner and on the same basis and preserve the relative rights of the holders of each such class of Voting Shares.

- 3.4 ***Conversion of Multiple Voting Shares.***

- 3.4.1 **At the Option of the Holder.** Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share, on the following basis:

- 3.4.1.1 The conversion privilege for which provision is made in this subsection 3.4.1 shall be exercised by notice in writing given to the Transfer Agent, if one exists, and if not, to the Secretary of the Corporation, accompanied by a certificate or certificates representing the Multiple Voting Shares in respect of which the holder desires to exercise such conversion privilege. Such notice shall be signed by the holder of the Multiple Voting Shares in respect of which such conversion privilege is being exercised, or by the duly authorized representative thereof, and shall specify the number of Multiple Voting Shares which such holder desires to have converted. The holder shall also pay any governmental or other tax imposed in respect of such conversion. The conversion of the Multiple Voting Shares into Subordinate Voting Shares shall take effect upon receipt by the Transfer Agent, if one exists, and if not, by the Secretary of the Corporation, of the conversion notice accompanied by the certificate or certificates representing the Multiple Voting Shares in respect of which the holder desires to exercise such conversion privilege.
- 3.4.1.2 Upon receipt of such notice and certificate or certificates, the Corporation shall, at its expense, effective as of the date of such receipt, issue or cause to be issued a certificate or certificates representing outstanding Subordinate Voting Shares upon the basis above prescribed to the holder of such Multiple Voting Shares. If less than all of the Multiple Voting Shares represented by any certificate are to be converted, the holder shall be entitled to receive a new certificate representing the Multiple Voting Shares represented by the original certificate which are not to be converted.
- 3.4.1.3 The right of a registered holder of Multiple Voting Shares to convert such shares into Subordinate Voting Shares shall be deemed to have been exercised, and the registered holder of the Multiple Voting Shares to be converted (or any person or persons in whose name or names such registered holder shall have directed Subordinate Voting Shares to be registered) shall be deemed to have become a holder of Subordinate Voting Shares of record for all purposes, on the date of surrender of the certificate(s) representing the Multiple Voting Shares to be converted accompanied by notice in writing as referred to above or, in the case of automatic conversion pursuant to subsection 3.4.2 hereof, on the date the holder of Multiple Voting Shares is deemed to have exercised his or its right to convert.
- 3.4.2 **Automatic Conversion.** Upon the first date that any Multiple Voting Share shall be held other than by a Permitted Holder, such holder, without any further action, shall automatically be deemed to have exercised his or its rights under subsection 3.4.1 to convert all of the Multiple Voting Shares held by such holder into fully paid and non-assessable Subordinate Voting Shares, on a share for share basis.

In addition, all Multiple Voting Shares, regardless of the holder thereof, will convert automatically into Subordinate Voting Shares at such time as Permitted Holders that hold Multiple Voting Shares no longer hold and own, collectively, directly or indirectly, more than 50% of the Aggregate Votes attached to all issued and outstanding Voting Shares of the Corporation.

For purposes of this subsection 3.4.2 and the other provisions of this Schedule A, to the extent applicable, the following terms shall have the following respective meanings:

“Affiliate” means, with respect to any specified person, any other person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified person.

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

“Permitted Holder” means (i) with respect to the Boyko Group, (a) Eric Boyko and the Members of the Immediate Family of Eric Boyko; (b) Boyko Investments Corporation, any successor corporation (by amalgamation or otherwise) of Boyko Investments Corporation any of its Affiliates, as long as Eric Boyko and/or any one or more of the Members of the Immediate Family of Eric Boyko is, directly or indirectly, the registered and the beneficial owner of securities carrying in the aggregate at least 50% + 1 of the votes for the election of directors and representing in the aggregate at least 50% + 1 of the participating (equity) securities of such companies, (c) Newco1, as long as Eric Boyko, Pascal Tremblay or Lloyd Perry Feldman remains the sole voting trustee of Newco1 under the Voting Trust and Right of First Offer Agreement entered into by the shareholders of Newco1; and (d) Newco2, as long as Eric Boyko, Pascal Tremblay or Lloyd Perry Feldman remains the sole voting trustee of Newco2 under the Voting Trust and Right of First Offer Agreement entered into by the

shareholders of Newco2; and (ii) with respect to Télésystème Ltée, Télésystème Ltée, any successor corporation (by amalgamation or otherwise) and any of its Affiliates.

For purposes of this subsection 3.4.2, a person is “controlled” by another person or other persons if: (i) in the case of any body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least 50% + 1 of the votes for the election of directors and representing in the aggregate at least 50% + 1 of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other person or persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or (ii) in the case of a person that is not a body corporate, at least 50% + 1 of the participating (equity) and voting interests of such person are held, directly or indirectly, by or solely for the benefit of the other person or persons; and “controls”, and “under common control with” shall be interpreted accordingly.

3.5 *Conversion of Subordinate Voting Shares and Variable Subordinate Voting Shares.*

3.5.1 **Automatic Conversion.** Subject to the foreign ownership restrictions of the Broadcasting Act, each issued and outstanding Subordinate Voting Share shall be converted into one Variable Subordinate Voting Share, automatically and without any further act of the Corporation or the holder, if such Subordinate Voting Share is or becomes beneficially owned or controlled, directly or indirectly, by a non-Canadian.

Each issued and outstanding Variable Subordinate Voting Share shall be automatically converted into one Subordinate Voting Share without any further act on the part of the Corporation or of the holder, if:

3.5.1.1 such Variable Subordinate Voting Share is or becomes beneficially owned and controlled, directly or indirectly, by a Canadian; or

3.5.1.2 the provisions contained in or made under the Broadcasting Act relating to the ineligibility of a non-Canadian to hold a licence to operate a broadcasting undertaking are repealed and not superseded or replaced with other similar provisions in respect of Canadian ownership and control.

3.5.2 **Conversion Upon an Offer**

3.5.2.1 *Conversion of Subordinate Voting Shares.* In the event that an offer is made to purchase Variable Subordinate Voting Shares, and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Variable Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Variable Subordinate Voting Shares in a province or

territory of Canada to which the requirement applies, each Subordinate Voting Share shall become convertible at the option of the holder into one Variable Subordinate Voting Share, at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Variable Subordinate Voting Shares, pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to section 3.2, notwithstanding their conversion. In such event, the Transfer Agent shall deposit the resulting Variable Subordinate Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Subordinate Voting Shares, in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Subordinate Voting Shares, in respect of which the right is being exercised, if applicable; and
- (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Variable Subordinate Voting Shares, resulting from the conversion of the Subordinate Voting Shares will be delivered to the holders on whose behalf such deposit is being made.

If Variable Subordinate Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned or withdrawn by the offeror or the offer otherwise expires without such Variable Subordinate Voting Shares being taken up and paid for, the Variable Subordinate Voting Shares, resulting from the conversion will be re-converted into Subordinate Voting Shares and a share certificate representing the Subordinate Voting Shares will be sent to the holder by the Transfer Agent. Variable Subordinate Voting Shares resulting from the conversion and taken up and paid for by the offeror shall be re-converted into Subordinate Voting Shares at the time the offeror is required under the applicable securities legislation to take up and pay for such shares if the offeror is Canadian.

In the event that the offeror takes up and pays for the Variable Subordinate Voting Shares resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.

There will be no right to convert the Subordinate Voting Shares into Variable Subordinate Voting Shares, in the following cases:

- (i) the offer to purchase Variable Subordinate Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Variable Subordinate Voting Shares are then listed to be made to all or substantially all of the holders of Variable Subordinate Voting Shares, that is, the offer is an “exempt take-over bid” within the meaning of the foregoing securities legislation; or
- (ii) an offer to purchase Subordinate Voting Shares is made concurrently with the offer to purchase Variable Subordinate Voting Shares, and the offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Subordinate Voting Shares must be unconditional, subject to the exception that the offer for the Subordinate Voting Shares may contain a condition to the effect that the offeror is not required to take up and pay for Subordinate Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Variable Subordinate Voting Shares.

3.5.2.2 *Conversion of Variable Subordinate Voting Shares.* In the event that an offer is made to purchase Subordinate Voting Shares and the offer is one which is required, pursuant to applicable securities legislation or the rules of a stock exchange on which the Subordinate Voting Shares are then listed, to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies, each Variable Subordinate Voting Share shall become convertible at the option of the holder into one Subordinate Voting Share at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Variable Subordinate Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares pursuant to the offer, and for no other reason, including notably with respect to voting rights attached thereto, which are deemed to remain subject to section 3.2, notwithstanding their conversion. In such event, the Transfer

Agent shall deposit the resulting Subordinate Voting Shares on behalf of the holder.

To exercise such conversion right, the holder or his or its attorney duly authorized in writing shall:

- (i) give written notice to the Transfer Agent of the exercise of such right and of the number of Variable Subordinate Voting Shares in respect of which the right is being exercised;
- (ii) deliver to the Transfer Agent the share certificate or certificates representing the Variable Subordinate Voting Shares in respect of which the right is being exercised, if applicable; and
- (iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Subordinate Voting Shares resulting from the conversion of the Variable Subordinate Voting Shares shall be delivered to the holders on whose behalf such deposit is being made.

If Subordinate Voting Shares resulting from the conversion and deposited pursuant to the offer are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned or withdrawn by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion will be re-converted into Variable Subordinate Voting Shares and a share certificate representing the Variable Subordinate Voting Shares will be sent to the holder by the Transfer Agent. Subordinate Voting Shares resulting from the conversion and taken up and paid for by the offeror shall be re-converted into Variable Subordinate Voting Shares at the time the offeror is required under the applicable securities legislation to take up and pay for such shares if the offeror is a non-Canadian.

In the event that the offeror takes up and pays for the Subordinate Voting Shares resulting from conversion, the Transfer Agent shall deliver to the holders thereof the consideration paid for such shares by the offeror.

There will be no right to convert the Variable Subordinate Voting Shares into Subordinate Voting Shares in the following cases:

- (i) the offer to purchase Subordinate Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Subordinate Voting Shares are then listed to be made to all or substantially all of the holders of

Subordinate Voting Shares, that is, the offer is an “exempt take-over bid” within the meaning of the foregoing securities legislation; or

- (ii) an offer to purchase Variable Subordinate Voting Shares is made concurrently with the offer to purchase Subordinate Voting Shares and the two offers are identical in respect of price per share, percentage of outstanding shares for which the offer is made, and in all other material respects, including in respect of the conditions attaching thereto. The offer to purchase the Variable Subordinate Voting Shares must be unconditional, subject to the exception that the offer for the Variable Subordinate Voting Shares may contain a condition to the effect that the offeror is not required to take up and pay for Variable Subordinate Voting Shares deposited to the offer if no shares are purchased pursuant to the contemporaneous offer for the Subordinate Voting Shares.

3.6 *Certain Class Votes.*

- 3.6.1 Without limiting other rights at law of any holders of Multiple Voting Shares, Subordinate Voting Shares or Variable Subordinate Voting Shares to vote separately as a class or the provisions of subsection 3.6.2 hereof, neither the holders of the Multiple Voting Shares, nor the holders of the Subordinate Voting Shares nor the holders of the Variable Subordinate Voting Shares shall be entitled to vote separately as a class upon a proposal to amend the articles of the Corporation in the case of an amendment of the kind referred to in paragraph (a) of subsection 176(1) of the CBCA and, as regards the creation of additional classes of preferred shares which are non-voting, paragraph (e) of subsection 176(1) of the CBCA.
- 3.6.2 Any amalgamation, arrangement, business combination or sale, lease, exchange or transfer of all or substantially all the property of the Corporation (as such expressions are interpreted for the purposes of the CBCA) in connection with which or following which, any holder of Multiple Voting Shares would, directly or indirectly, receive or be entitled to receive consideration, money, property or securities of greater value per share or different in kind than the consideration or distribution available to holders of Subordinate Voting Shares or of Variable Subordinate Voting Shares (a “**Transaction**”) must be approved by a resolution passed by a majority of the votes cast at shareholders meeting of each of the holders of Subordinate Voting Shares and of the holders of Variable Subordinate Voting Shares, respectively, present in person, or represented by proxy, voting separately as a class (excluding any votes attached to Subordinate Voting Shares held by a holder of Multiple Voting Shares) in respect of that resolution, unless the holders of Subordinate Voting Shares and the holders of Variable Subordinate Voting Shares are otherwise already entitled to vote separately as a class in respect of such Transaction under the CBCA or any applicable law (including,

without limitation, securities laws in any jurisdiction, together with the rules, regulations, orders and notices made thereunder and the local, uniform and national published instruments and policies adopted by the securities regulatory authority in such jurisdiction, as applied and interpreted by such securities regulatory authority) or the rules, notices, policies or procedures or any decision of any applicable stock exchange. For greater certainty, Section 190 of the CBCA shall not apply for any Transaction in respect of which a class vote is required as a result of the application of this subsection.

- 3.7 **Right to Subscribe.** In the event, subsequent to the initial public offering of the Corporation's Subordinate Voting Shares and Variable Subordinate Voting Shares, of any distribution or issuance, including by way of a share dividend (unless such a dividend is declared and payable in respect of Multiple Voting Shares pursuant to subsection 3.1 above) (a "**Distribution**") of Voting Shares of the Corporation (other than Multiple Voting Shares, Subordinate Voting Shares issued upon the conversion of Multiple Voting Shares or of Variable Subordinate Voting Shares, Variable Subordinate Voting Shares issued upon conversion of Subordinate Voting Shares, or Voting Shares issued pursuant to the exercise of a right attached to any security of the Corporation issued prior to the Distribution) (the "**Subject Voting Shares**") or of securities convertible or exchangeable into Subject Voting Shares or giving the right to acquire Subject Voting Shares (other than options or other securities issued under compensatory plans or other plans to purchase Subject Voting Shares or any other securities of the Corporation in favour of the management, directors, employees or consultants of the Corporation) (the "**Convertible Securities**" and, together with the Subject Voting Shares, the "**Distributed Securities**"), the Corporation shall issue to the holders of Multiple Voting Shares rights to subscribe for that number of Multiple Voting Shares, or, as the case may be, for securities convertible or exchangeable into or giving the right to acquire, on the same terms and conditions, including subscription or exercise price, as applicable, *mutatis mutandis* (except for the ultimate underlying securities which shall be Multiple Voting Shares), as those stipulated in the Convertible Securities, that number of Multiple Voting Shares, respectively, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the proportion of total voting rights (on a fully diluted basis) associated with the then outstanding Multiple Voting Shares (the "**Rights to Subscribe**").

The Rights to Subscribe shall be issued to the holders of Multiple Voting Shares in a proportion equal to their respective holdings of Multiple Voting Shares and shall be issued concurrently with the completion of the Distribution of the applicable Distributed Securities as contemplated in the above paragraph. To the extent that any such Rights to Subscribe are exercised, in whole or in part, the securities underlying such Rights to Subscribe (the "**Subscription Securities**") shall be issued and must be paid for concurrently with the completion of the Distribution and payment to the Corporation of the issue price for the Distributed Securities, at the lowest price permitted by the applicable securities and stock exchange regulations and subject (as to such price) to the prior consent of the exchanges but at a price not lower than (i) if the Distributed Securities are Subordinate Voting Shares or Variable Subordinate Voting Shares, the price at which Subordinate Voting Shares or Variable Subordinate Voting Shares, as the case may be, are then being issued or distributed, (ii) if the Distributed Securities are

Convertible Securities, the price at which the applicable Convertible Securities are then being issued or distributed; and (iii) if the Distributed Securities are Subject Voting Shares (other than Subordinate Voting Shares and Variable Subordinate Voting Shares) the higher of (a) the weighted average price of the transactions on the Subordinate Voting Shares on the Toronto Stock Exchange (or such other primary stock exchange on which they are listed, as the case may be) for the 20 trading days preceding the Distribution of such Subject Voting Shares or of (b) the weighted average price of transactions on the Subordinate Voting Shares on the Toronto Stock Exchange (or such other primary stock exchange on which they are listed, as the case may be), the trading day before the Distribution of such Subject Voting Shares.

The privileges attached to Subscription Securities which are securities convertible or exchangeable into or giving the right to acquire Multiple Voting Shares shall only be exercisable if and whenever the same privileges attached to the Convertible Securities are exercised and shall not result in the issuance of a number of Multiple Voting Shares which increases the proportion (as in effect immediately prior to giving effect to the completion of the Distribution) of total voting rights associated with the Multiple Voting Shares after giving effect to the exercise by the holders of the privileges attached to such Convertible Securities.

Subordinate Voting Shares and Variable Subordinate Voting Shares have no pre-emptive or subscription rights to purchase any securities of the Corporation.

An issuance of participating (equity) securities will not be rendered invalid due to a failure by the Corporation to comply with the provisions of this subsection 3.7.

The right to receive Rights to Subscribe pursuant to this subsection 3.7, and the legal or beneficial ownership of the Rights to Subscribe issued pursuant to this subsection 3.7, may be assigned in whole or in part among Permitted Holders, provided that written notice of any such assignment shall be sent promptly to the other holders of Multiple Voting Shares and the Corporation.

- 3.8 ***Single Class.*** Except as otherwise provided herein, Subordinate Voting Shares, Variable Subordinate Voting Shares and Multiple Voting Shares are equal in all respects and shall be treated as shares of a single class for all purposes under the CBCA.
- 3.9 ***Certain Amendments.*** In addition to any other voting right or power to which the holders of Subordinate Voting Shares and the holders of Variable 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 and holders of Variable Subordinate Voting Shares shall be entitled to vote as a separate class, in addition to any other vote of shareholders that may be required, on approval 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 or the holders of Variable Subordinate Voting Shares, respectively, including an amendment to the terms of the articles of the Corporation that provides 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.

- 3.10 ***Issuance of Additional Multiple Voting Shares after the Closing of the IPO.*** Subject to the provisions hereof, the Corporation may not issue additional Multiple Voting Shares without the approval of at least two-thirds of the votes cast at each of the meetings of the holders of Subordinate Voting Shares and of the holders of Variable Subordinate Voting Shares duly held for that purpose; *provided, however*, that such approval is not required in connection with a subdivision or conversion on a *pro rata* basis as between the Subordinate Voting Shares and the Variable Subordinate Voting Shares on the one hand and the Multiple Voting Shares on the other hand, or the issuance of Multiple Voting Shares pursuant to the exercise of Rights to Subscribe set forth in section 3.7.

4. **Special Shares.**

The Special Shares may at any time and from time to time be issued in order to give the Corporation greater flexibility to raise capital without impacting its status under the Broadcasting Act so that 80% of the Voting Shares remain, directly or indirectly, in the aggregate owned by Canadians. The rights, privileges, restrictions and conditions attaching to the Special Shares are as follows:

- 4.1 ***Dividends; Rights on Liquidation, Dissolution, or Winding-Up.*** Except as hereinafter specifically provided, as required by the CBCA, by law or as may be required by an order of a court of competent jurisdiction, the Special Shares shall not be entitled to the right to receive dividends. The Special Shares shall, solely in respect of the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding up its affairs, rank senior up to an aggregate amount representing the Special Share Redemption Price (as hereinafter defined in subsection 4.5.3 below) to the Multiple Voting Shares, the Subordinate Voting Shares, the Variable Subordinate Voting Shares and the Preferred Shares of any series and, for greater certainty, the holders of Special Shares shall be entitled to receive an aggregate amount representing the Special Share Redemption Price (but not more than the Special Share Redemption Price) in priority to the holders of Multiple Voting Shares, the holders of Subordinate Voting Shares, the holders of Variable Subordinate Voting Shares and the holders of Preferred Shares of any series. For the avoidance of any doubt, in the event of such liquidation, dissolution or winding-up of the Corporation, the holders of Special Shares will not be entitled to receive any amount exceeding the Special Share Redemption Price.
- 4.2 ***Voting Rights.*** Each holder of Special Shares shall be entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation, except where the holders of a specified class are entitled to vote separately as a class as provided in the CBCA. Each Special Share shall entitle the holder thereof to one (1) vote per Special Share, unless the number of votes that may be exercised in respect of all issued and outstanding Special Shares exceeds 1% of the Aggregate Votes. If the above-noted threshold is surpassed at any time, the votes attached to each Special Share will decrease

automatically and without further act or formality to equal the maximum permitted vote per Special Share to ensure that the Special Shares as a class cannot carry more than 1% of the Aggregate Votes.

4.3 ***Subdivision or Consolidation.*** No subdivision or consolidation of the Special Shares shall be carried out unless, at the same time, each class of the other Voting Shares are subdivided or consolidated in the same manner and on the same basis and preserve the relative rights of the holders of each such class of Voting Shares.

4.4 ***Conversion.*** The Special Shares shall not have any conversion rights attached thereto.

4.5 ***Redemption Right of the Corporation.*** The Corporation may, in the manner hereinafter provided, redeem at any time all, or from time to time any part, of the outstanding Special Shares on payment for each Special Share to be redeemed of the Special Share Redemption Price in respect of such Special Share.

4.5.1 **Notice of Redemption and Procedure.** Before redeeming any Special Shares, the Corporation shall mail or deliver to each person who, at the date of such mailing or delivery, shall be a registered holder of Special Shares to be redeemed, notice of the intention of the Corporation to redeem such shares held by such registered holder; such notice shall be delivered to, or mailed by ordinary prepaid post addressed to, the last address of such holder as it appears on the records of the Corporation, or in the event of the address of any such holder not appearing on the records of the Corporation, then to the last address of such holder known to the Corporation, at least one (1) day before the date specified for redemption; such notice shall set out the Special Share Redemption Price, the date on which the redemption is to take place and, if part only of the Special Shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed; on or after the date so specified for redemption the Corporation shall pay or cause to be paid the redemption price to the registered holders of the Special Shares to be redeemed on presentation and surrender of the certificates for the Special Shares so called for redemption at the registered office of the Corporation or at such other place or places as may be specified in such notice, and the certificates for such Special Shares shall thereupon be cancelled, and the Special Shares represented thereby shall thereupon be redeemed; from and after the date specified for redemption in such notice, the holders of the Special Shares called for redemption shall not be entitled to exercise any of the rights of the holders thereof, except the right to receive the Special Share Redemption Price, unless payment of the Special Share Redemption Price shall not be made by the Corporation in accordance with the foregoing provisions, in which case the rights of the holders of such shares shall remain unaffected; on or before the date specified for redemption, the Corporation shall have the right to deposit the Special Share Redemption Price of the Special Shares called for redemption in a special account with any chartered bank or trust company in Canada named in the notice of redemption, to be paid, without interest, to or to the order of the respective holders of such Special Shares called for redemption, upon presentation and surrender of the certificates representing the same and, upon

such deposit being made or upon the date specified for redemption, whichever is later, the Special Shares in respect whereof such deposit shall have been made, shall be deemed to be redeemed and the rights of the respective holders thereof, after such deposit or after such redemption date, as the case may be, shall be limited to receiving, out of the moneys so deposited, without interest, the Special Share Redemption Price applicable to their respective Special Shares against presentation and surrender of the certificates representing such Special Shares. If less than all the Special Shares are to be redeemed, the shares to be redeemed shall be redeemed pro rata, disregarding fractions, unless the holders of the Special Shares unanimously agree to the adoption of another method of selection of the Special Shares to be redeemed. If less than all the Special Shares represented by any certificate be redeemed, a new certificate for the balance shall be issued.

- 4.5.2 **Purchase for Cancellation.** The Corporation may purchase for cancellation at any time all, or from time to time any part, of the Special Shares outstanding, by private contract at any price, with the unanimous consent of the holders of the Special Shares then outstanding, or by invitation for tenders addressed to all the holders of the Special Shares at the lowest price at which, in the opinion of the directors of the Corporation, such shares are obtainable but not exceeding the Special Share Redemption Price thereof. If less than all the Special Shares represented by any certificate be purchased for cancellation, a new certificate for the balance shall be issued.
- 4.5.3 **Special Share Redemption Price.** For the purposes of this section 4.5 and this Schedule A, the “**Special Share Redemption Price**” of each Special Share shall be an amount equal to (i) the monetary consideration received by the Corporation upon the issuance of such Special Shares, if such Special Shares have been issued for money, less any amount distributed in respect of such Special Shares on a reduction of the stated capital account maintained in respect of the Special Shares or (ii) the fair market value of the consideration received by the Corporation (including, without limitation, shares of another class of the Corporation) upon the issuance of such Special Share, if such Special Share has been issued for a consideration other than money, less any amount distributed in respect of such share on a reduction of the stated capital account maintained in respect of the Special Shares. Subject to the provisions of the following subsection 4.5.4, such fair market value is to be determined by the directors of the Corporation on the basis of generally accepted accounting and valuation principles.
- 4.5.4 **Fair Market Value.** The fair market value determined as hereinabove provided for shall be subject to revision in accordance with any binding agreement with, or decision by, the appropriate taxation authorities, or any judgement of a court of competent jurisdiction. In the event that any such agreement, decision or judgement shall result in a final determination under the provisions of the appropriate taxation legislation and the amount thereby determined is an amount other than the amount for which such share was originally issued as determined by the directors of the Corporation in accordance with the preceding sub-

paragraph, such finally determined amount for the purpose of the appropriate taxation legislation shall then be deemed to be the fair market value of the consideration received by the Corporation upon the issuance of such Special Share.

- 4.6 ***Stated Capital Account.*** In the event that only part of the amount of the consideration received by the Corporation for any Special Share issued by the Corporation is added to the stated capital account of the Special Shares, such Special Share shall be deemed to have been issued for the full amount of the consideration received, for all purposes of these articles of the Corporation (except only with respect to the stated capital of such Special Shares) including, but without limiting the generality of the foregoing, redemption rights and rights upon liquidation and dissolution.
- 4.7 ***Amendment with Approval of Holders of Special Shares.*** The rights, privileges, restrictions and conditions attached to the Special Shares as a class may be added to, removed or changed only with the approval of the holders of Special Shares given in accordance with the requirements of the CBCA and the minimum requirements provided for in subsection 4.8 hereof.
- 4.8 ***Approval of Holders of Special Shares.*** The approval of the holders of Special Shares as a class to any matters referred to in these provisions may be given as specified below:
- 4.8.1 **Approval and Quorum:** Any approval required to be given by the holders of Special Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all the holders of the then outstanding Special Shares or by a resolution passed by the affirmative vote of not less than 66% of the votes cast by holders of Special Shares who voted in respect of that resolution at a meeting of the holders of Special Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than 25% of the then outstanding Special Shares are present in person or represented by proxy; *provided, however* that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the CBCA, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Special Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than 66% of the votes cast by the holders of Special Shares at such meeting shall constitute the approval of the holders of Special Shares.
- 4.8.2 **Votes:** Each holder of Special Shares shall be entitled to one vote in respect of each Special Share held.

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time

to time prescribed in the CBCA and the by-laws of the Corporation with respect to meetings of shareholders.

4.9 **Limitations.** Subject to the provisions of the CBCA, the holders of Special Shares shall not, unless the rights, privileges, restrictions and conditions attached to the Special Shares as a class provide to the contrary, be entitled to vote separately as a class, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

- (i) increase or decrease any maximum number of authorized Special Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Special Shares;
- (ii) effect an exchange, reclassification or cancellation of all or part of the Special Shares; or
- (iii) create a new class or series of shares equal or superior to the Special Shares.

5. Preferred Shares.

The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, are as follows:

5.1 **Directors' Right to Issue One or More Series.** The Preferred Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Preferred Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, the articles of the Corporation and the provisions of the CBCA, by resolution amend the articles of the Corporation to fix the number of Preferred Shares in such series and determine the designation of, and the rights, restrictions, privileges and conditions attached to, the Preferred Shares of such series including, without limitation:

- (i) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;
- (ii) whether any dividends are cumulative, partly cumulative or non-cumulative;
- (iii) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;
- (iv) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
- (v) any conversion, exchange or reclassification rights; and
- (vi) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the CBCA of articles of amendment designating and fixing the number of Preferred Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

- 5.2 ***Ranking of Preferred Shares of Each Series.*** The Preferred Shares of each series shall with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding up its affairs, rank (i) on a parity with the Preferred Shares of every other series and (ii) senior to the Multiple Voting Shares, the Subordinate Voting Shares, the Variable Subordinate Voting Shares, the Special Shares and the shares of any other class ranking junior to the Preferred Shares; *provided, however,* that in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation, the Preferred Shares will rank junior to the Special Shares in accordance with section 4.1 above. The Preferred Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Voting Shares and the shares of any other class ranking junior to the Preferred Shares as may be fixed in accordance with subsection 5.1 above.
- 5.3 ***Voting Rights.*** Except as hereinafter specifically provided, as required by the CBCA, by law or as may be required by an order of a court of competent jurisdiction, the holders of Preferred Shares shall not be entitled as such to receive notice of, or attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any meeting; *provided, however* that the holders of Preferred Shares shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation.
- 5.4 ***Amendment with Approval of Holders of Preferred Shares.*** The rights, privileges, restrictions and conditions attached to the Preferred Shares as a class may be added to, removed or changed only with the approval of the holders of Preferred Shares given in accordance with the requirements of the CBCA and the minimum requirements provided for in subsection 5.5 hereof.
- 5.5 ***Approval of Holders of Preferred Shares.*** The approval of the holders of Preferred Shares as a class to any matters referred to in these provisions may be given as specified below:
- 5.5.1 **Approval and Quorum:** Any approval required to be given by the holders of Preferred Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all the holders of the then outstanding Preferred Shares or by a resolution passed by the affirmative vote of not less than 66%% of the votes cast by holders of Preferred Shares who voted in respect of that resolution at a meeting of the holders of Preferred Shares called and held for such

purpose in accordance with the by-laws of the Corporation at which holders of not less than 25% of the then outstanding Preferred Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the CBCA, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Preferred Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than 66⅔% of the votes cast by the holders of Preferred Shares at such meeting shall constitute the approval of the holders of Preferred Shares.

5.5.2 **Votes:** Each holder of Preferred Shares shall be entitled to one vote in respect of each Preferred Share held.

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the CBCA and the by-laws of the Corporation with respect to meetings of shareholders.

5.6 **Shares Issued in Series with Identical Rights.** Where Preferred Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of Preferred Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Preferred Shares had been issued simultaneously and all such series of Preferred Shares may be designated as one series.

5.7 **Limitations.** Subject to the provisions of the CBCA, the holders of Preferred Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

- (i) increase or decrease any maximum number of authorized Preferred Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Preferred Shares or any series thereof;
- (ii) effect an exchange, reclassification or cancellation of all or part of the Preferred Shares or any series thereof; or
- (iii) create a new class or series of shares equal or superior to the Preferred Shares or any series thereof.

6. Book-Entry Only System

- 6.1 ***Transfers etc. Through Participants.*** If any of the Shares are held through the Book-Entry Only System, then the beneficial owner thereof shall provide instructions with respect to such Shares only to the Depository participant through whom such beneficial owner holds such Shares or otherwise through the Depository's systems and registrations of ownership, transfers, purchases, surrenders, conversions and exchanges of such Shares (in each case, if applicable) will be made only through the Book-Entry Only System. Beneficial owners of Shares held through the Book-Entry Only System will not have the right to receive share certificates representing their ownership of such Shares.
- 6.2 ***Depository is Registered Holder.*** For the purposes of these articles of the Corporation, as long as the Depository, or its nominee, is the registered holder of Shares held through the Book-Entry Only System, the Depository, or its nominee, as the case may be, will be considered the sole holder of such Shares for the purpose of (i) receiving notices or payments on, or in respect of, such Shares (in each case, if applicable), and (ii) the delivery of such Shares and certificates representing such Shares in accordance with these articles of the Corporation.

SCHEDULE B

- I. The directors of the Corporation may, without authorization of the shareholders:
 - (a) borrow money on the credit of the Corporation;
 - (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
 - (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
 - (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation or of any other person.

The directors may, by resolution, delegate such powers to any director, a committee of directors or any officer to such extent and in such manner as may be set out in such resolution or by-law, as the case may be.

- II. The directors may appoint one or more additional directors who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.