Industry Canada Industrie Canada

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

CLARKE INC.

Corporate name / Dénomination sociale

344289-6

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under sections 27 and 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes des articles 27 et 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Marcie Girouard

Director / Directeur

2012-01-31

Date of Amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Canada

Industry Canada Industrie Canada

Form 4
Articles of Amendment
Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
CLARKE INC.

2 Corporation number
Numéro de la société
344289-6

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

The corporation amends the description of classes of shares as follows:
La description des catégories d'actions est modifiée comme suit :
See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
TIM RORABECK

TIM RORABECK
902-442-3418

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).
Nota : Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ ou d'un emprisonnement maximal de six mois, ou de ces deux peines (paragraphe 250(1) de la LCSA).

Canada

IC 3069 (2008/04)

CLARKE INC.

ANNEX 1

THAT 60,000,000 of the unissued First Preferred Shares be designated as non-cumulative, redeemable, non-voting "Series I First Preferred Shares" without nominal or par value and which, in addition to the rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class, shall have attached thereto as a series the rights, privileges, restrictions and conditions attached hereto as Schedule "A";

SCHEDULE "A"

CLARKE INC.

Rights, privileges, conditions and restrictions applicable to the 60,000,000 Series I First Preferred Shares (the "Series Shares") are set out below:

A. Interpretation

1. In these preferred share conditions, unless the context otherwise requires:

(a) "Corporation" means Clarke Inc., a body corporate, incorporated under the laws of Canada;

(b) "Redemption Price" means, subject to adjustment as provided herein, the amount of $1.00 per Series Share.

B. Priority

2. The Series Shares shall rank as hereby provided *pari passu* with each other series of preferred shares in the capital stock of the Corporation, but shall not confer any further rights on the respective holders to participate in profits or assets.

3. No class of shares may be created ranking as to capital or dividends in priority to or *pari passu* with the Series Shares nor shall the authorized amount of the Series Shares be increased without the approval of the holders of the Series Shares given in the manner set out in paragraph 14.

C. Dividends

4. The Series Shares shall confer upon the holders thereof the right to a fixed, cumulative preferential dividend payable when and as declared by the Directors at the rate of equal to the prime lending interest rate established by the Bank of Canada at the end of each month plus eight and one-quarter (8.25%) per cent, expressed as an annual rate, per annum on the Redemption Price thereof.

5. The Board of Directors shall not declare, and the Corporation shall not pay, dividends on any other class or series of shares of the capital stock of the Corporation ranking *pari passu* with or subordinate to the Series Shares if after payment of such dividend the value of the net assets of the Corporation would be less than the amount required to redeem the Series Shares and all classes of shares ranking in priority thereto or *pari passu* therewith.

D. Dissolution

6. In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary or for reorganization or otherwise, or upon any distribution of assets of the Corporation, no payment or distribution shall be made to the holders of the common shares or any other class of shares ranking subordinate to the Series Shares until there has been paid to the holders of the Series Shares, the Redemption Price of such shares together with any dividends declared and unpaid.

7. After payment in full to the holders of the Series Shares, the surplus assets, if any, shall belong to and be divided among the holders of the common shares and any shares ranking subordinate to the Series Shares in accordance with their respective rights.

E. Redemption or Purchase

8. The Corporation may at any time and from time to time, at the option of the Board of Directors, without notice, redeem the whole or any part of the outstanding Series Shares by paying the Redemption Price thereof to the holders thereof, together with any and all dividends declared on or prior to the date of redemption and remaining unpaid, provided however that in case less than all of the outstanding Series Shares are to be redeemed, the shares to be so redeemed shall be determined in the discretion of the Board of Directors. Any such redemption of shares shall be subject to the provisions of the *Canada Business Corporations Act.*

9. If the funds necessary to effect the redemption of any of the Series Shares shall be set aside so as to be available for payment on demand by the holders of the Series Shares called for redemption, then, after the date so fixed for redemption, provided written notice of such redemption shall have been given as herein provided to the record holders of the Series Shares called for redemption, all rights and privileges in the Series Shares so called for redemption, including the right to dividends thereon accruing after the date so fixed for redemption, shall cease except the right to be paid the Redemption Price of such shares together with any and all dividends declared on or prior to the date of redemption and remaining unpaid. Series Shares which are purchased or redeemed shall be cancelled and shall not be reissued.

10. Subject to the provisions of the *Canada Business Corporations Act*, each holder of Series Shares shall have the right, on demand, exercisable by 30 days' notice in writing, to require the Corporation to redeem all or any portion of the Series Shares held by the shareholder making such demand and forthwith upon any such demand the Corporation shall redeem the number of the Series Shares with respect to which such demand has been given by paying the Redemption Price of such shares together with any and all dividends declared on or prior to the date of redemption and remaining unpaid.

11. The Corporation may not redeem or otherwise purchase for cancellation any other class of shares of the capital stock of the Corporation ranking *pari passu* with or subordinate to the Series Shares if following the payment of such Redemption Price or purchase price, as the case may be, the value of the net assets of the Corporation would be less than the amount required to redeem the Series Shares and all classes of shares ranking in priority thereto or *pari passu* therewith.

12. The Corporation may not, at any time, purchase the Series Shares for a price beyond the Redemption Price or less than the lesser of the Redemption Price and the net realizable value of the assets of the Corporation, together with the amount of any dividends at the rate aforesaid declared and remaining unpaid at the date the Series Shares are to be acquired.

F. **Voting**

13. The holders of the Series Shares shall not be entitled to receive notice of, attend or vote at any meetings of the shareholders of the Corporation or to attend such meetings.

14. Subject to paragraph 15 hereof, the provisions respecting the Series Shares contained herein may only be amended, deleted, varied, modified or amplified with the express written consent of the holders of the Series Shares and any authorization or approval of the holders of the Series Shares with respect to any and all matters referred to herein shall be deemed to have been sufficiently given if provided in a resolution signed by the holders of 3/4ths of the issued and outstanding Series Shares or if passed by a 2/3 majority of the holders of the Series Shares present at a meeting of the holders of the Series Shares called in the same manner as provided in the Articles of Incorporation of the Corporation with respect to meetings of shareholders and the provisions of the Articles of Incorporation of the Corporation shall apply *mutatis mutandis* with necessary modifications with respect to the conduct and formalities to be observed in respect of such meeting. On every poll taken at every meeting of holders of Series Shares each holder shall be entitled to vote thereat and shall have 1 vote in respect of each Series Share held.