For Ministry Use Only
À l'usage exclusif du ministère

Ministry of Government Services
Ontario

Ministère des Services gouvernementaux

Ontario Corporation Number
Numéro de la société en Ontario

002172351

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

JUNE 2 6 JUIN, 2017

17

Director / Directeur
Business Corporations Act / Loi sur les sociétés par actions

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

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

NEWTOPIA INC.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2008/05/09

(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: / Nombre d'administrateurs :

minimum and maximum number of directors is/are: / nombres minimum et maximum d'administrateurs :

Number / Nombre

or / ou

minimum and maximum / minimum et maximum

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

See pages 1A to and including 1GG attached hereto.

The articles of the Corporation are amended to remove the rights, privileges, restrictions and conditions attaching to the Series 2 Class A Preferred Shares and to attach the following rights, privileges, restrictions and conditions to the Series 2 Class A Preferred Shares.

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO SERIES 2 CLASS A PREFERRED SHARES

The second series of Class A Preferred shares of the Corporation shall consist of an unlimited number of shares designated as "**A2 Preferred Shares**". The rights, privileges, restrictions and conditions attaching to the A2 Preferred Shares, as a series, are as follows:

4.1 <u>**Interpretation**</u> - In this Article 4:

(a) "**A2 Liquidation Price**" has the meaning given to that term in Subsection 4.4(c);

(b) "**A2 Preferred Approval**", in respect of a matter, means that A2 Preferred Holders holding at least two thirds of the A2 Preferred Shares issued and outstanding at the time have approved of the matter by:

(i) an instrument in writing which describes the matter approved and refers to the Section hereunder which requires the approval, or

(ii) a meeting at which the A2 Preferred Holders vote together as a separate group;

(c) "**A2 Preferred Holders**" means the registered holders of the A2 Preferred Shares and a "**A2 Preferred Holder**" means any one of them;

(d) "**Affiliate**" means with respect to any Person:

(i) any corporation which is directly or indirectly Controlled by that Person;

(ii) if a corporation, (A) any corporation which Controls that Person, and any corporation which is directly or indirectly Controlled by a corporation which Controls that corporate Person, and (B) any director or officer of such corporation; and

(iii) if a partnership, limited partnership or limited liability company, (A) any partner, general partner, manager or member thereof, and (B) any corporation, partnership, limited partnership or limited liability company which Controls, or which is directly or indirectly Controlled by any corporation, partnership, limited partnership or limited liability company which is directly or indirectly Controlled by any such entity that Controls that partner;

(e) "**Associate**" has the same meaning as has been designated to that term in the Corporate Legislation;

(f) "**Automatic Conversion Event**" has the meaning given to that term in Subsection 4.8(a);

(g) "**Business Day**" means any day except a Saturday, Sunday or legal holiday for Canadian chartered banks in Toronto, Ontario, Canada;

(h) "**Class A Preferred Holders**" means the registered holders of the Class A Preferred Shares and a "**Class A Preferred Holder**" means any one of them;

(i) "**Class A Preferred Shares**" means the Class A Preferred shares in the capital of the Corporation, issuable in series, and "**Class A Preferred Share**" means any one of them, including without limitation the Corporation's Series 1 Class A Preferred Shares (or A1 Preferred Shares), Series 2 Class A Preferred Shares (or A2 Preferred Shares) and Series 3 Class A Preferred Shares (or A3 Preferred Shares);

(j) "**Common Shares**" means the common shares in the capital of the Corporation and "**Common Share**" means any one of them;

(k) "**Control**", "**Controlled**" or "**Controls**" means, in relation to any non-corporate entity or undertaking, the right to directly or indirectly conduct the affairs of the entity or undertaking and, in relation to a corporation:

(i) the right to cast a majority of the votes which may be cast at a general meeting of that corporation; or

(ii) the right to elect or appoint, directly or indirectly, a majority of the directors of that corporation;

(l) "**Conversion Price**" means \$0.68, subject to adjustment from time to time under Sections 4.9 and 4.10, and any adjustments made under those Sections shall be successive and each resulting new Conversion Price shall continue in effect until the next adjustment (if any) is made thereunder;

(m) "**Conversion Ratio**", at any particular time, means the Conversion Ratio determined at that time by the following formula:

$$\text{Conversion Ratio} = \frac{\text{Issue Price}}{\text{Conversion Price}}$$

being the ratio at which A2 Preferred Shares may be converted into Common Shares under this Article 4;

(n) "**Corporate Legislation**" means the *Business Corporations Act* (Ontario);

(o) "**Corporation Notice**" has the meaning given to that term in Section 4.6(b);

(p) "**Dissolution Event**" has the meaning given to that term in Subsection 4.4(a);

(q) "**Equity Securities**" means:

(i) shares or any other security of the Corporation that carries the residual right to participate in the earnings of the Corporation and, on liquidation, dissolution or winding-up, in the assets of the Corporation, whether or not the security carries voting rights;

(ii) any warrants, options or rights entitling the holders thereof to purchase or acquire any such securities; or

(iii) any securities issued by the Corporation which are convertible or exchangeable into such securities;

(r) "**Excluded Issuances**" means any securities of the Corporation issued pursuant to:

(i) a duly approved stock dividend or share subdivision;

(ii) the conversion rights of the Preferred Shares;

(iii) the options, warrants, convertible debentures and other rights to purchase or acquire Common Shares which were outstanding on the Issue Date and disclosed in writing by the Corporation to the A2 Preferred Holders before the Issue Date (a copy of such written disclosure is located at the records office of the Corporation);

(iv) any incentive compensation plan or employee share option plan adopted by the Corporation that has received the approval of the board of directors of the Corporation;

(v) securities issuable to lenders of the Corporation as consideration to such lenders for entering into lending agreements with the Corporation;

(vi) securities issued to strategic partners of the Corporation;

(vii) an offering of securities by the Corporation through which A2 Preferred Holders purchase not less than 25% of the securities offered thereby;

(viii) an issuance which has been designated an "Excluded Issuance" by A2 Preferred Approval; or

(ix) a bona fide acquisition by the Corporation whether by merger, consolidation or otherwise;

(s) "**Exercise Deadline**" has the meaning given to that term in Subsection 4.5(a);

(t) "**Fully Diluted Basis**" at any time means that all options (whether vested or unvested), warrants or other rights of any kind to acquire Common Shares and all securities of the Corporation which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into securities which are themselves convertible into Common Shares) which are outstanding at that time shall be deemed to have been fully exercised, converted or exchanged, as the case may be, and the Common Shares issuable as a result thereof shall be deemed to have been fully issued and to form part of the holdings of the Person(s) entitled to receive such Common Shares;

(u) "**Fully Diluted Common Shares**" means all the Common Shares which would be outstanding if all securities of the Corporation which are outstanding at that time and which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into shares which are themselves convertible into Common Shares) at that time were fully exercised, converted or exchanged, as the case may be, into Common Shares;

(v) "**Issue Date**" means the first date upon which A2 Preferred Shares are issued;

(w) "**Issue Price**" means $0.68, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the A2 Preferred Shares after the Issue Date and the Issue Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Issue Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of A2 Preferred Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of A2 Preferred Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Issue Price shall continue in effect until the next adjustment (if any) is made;

(x) "**Liquidation Event**" has the meaning given to that term in Subsection 4.5(a);

(y) "**Offered Shares**" has the meaning given to that term in Subsection 4.6(c);

(z) "**Person**" means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, power of attorney or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted;

(aa) "**Preferred Shares**" means the preferred shares in the capital of the Corporation, issuable by class or series as set out in the Articles of the Corporation and "**Preferred Share**" means any one of them;

(bb) "**Qualified IPO**" means completion of a public offering of Common Shares from treasury at a price per Common Share of not less than the Threshold Price which results in sale proceeds (net of underwriting discounts or commissions and offering expenses) to the Corporation of at least $8,000,000;

(cc) "**Qualified M&A Transaction**" means:

(i) an amalgamation, merger or reorganization of the Corporation;

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation;

which, in each case, results in the A2 Preferred Holder receiving consideration in an amount equal to or greater than the Threshold Price multiplied by the number of A2 Preferred Shares (or Common Shares issued upon the conversion thereof in accordance with Subsection 4.8(a), as applicable) held by such A2 Preferred Holder; provided that for the avoidance of doubt and notwithstanding anything else herein to the contrary, for purposes of the immediately foregoing, an "A2 Preferred Holder" shall be deemed to mean a holder of Common Shares issued upon the conversion of such holder's A2 Preferred Shares upon the occurrence of a Qualified M&A Transaction in accordance with Subsection 4.8.(a);

(dd) "**Retracting Holder**" has the meaning given to that term in Subsection 4.6(d);

(ee) "**Retraction Price**" has the meaning given to that term in Subsection 4.6(a);

(ff) "**Shares**" means shares of any class in the share capital of the Corporation from time to time and "**Share**" means any one of them;

(gg) "**Threshold Price**" means $0.9044, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the Common Shares after the Issue Date and the Threshold Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Threshold Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Threshold Price shall continue in effect until the next adjustment (if any) is made;

(hh) "**Unpaid Dividends**" has the meaning given to that term in Paragraph 4.4(a);

(ii) other terms defined elsewhere in this Article 4 shall have the meanings so ascribed thereto;

(jj) unless otherwise provided, all dollar amounts referred to are in lawful money of Canada; and

(kk) time shall be of the essence.

4.2 **Voting Rights** - Each of the A2 Preferred Holders shall be entitled as such to receive notice of and to attend all meetings of the shareholders of the Corporation (except meetings at which only holders of another class or series of shares of the Corporation are required by law to vote separately as a class or series) and at each such meeting shall have one vote in person or by proxy for each Common Share which the A2 Preferred Holder would be entitled to receive upon full conversion of its A2 Preferred Shares into Common Shares under Section 4.7 as at the record date of the meeting. A2 Preferred Holders and the holders of Common Shares and other Preferred Shares will vote as one class, except as required by law.

4.3 **Dividends** – A2 Preferred Holders shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, in priority to the holders of Common Shares and all other shares ranking junior to the Class A Preferred Shares, fixed preferential non-cumulative dividends of $0.0544 per share *per annum*. If within 4 months after the expiration of any financial year of the Corporation the board of directors in its discretion has not declared the said dividend or any part thereof on the A2 Preferred Shares for the financial year, then the rights of the A2 Preferred Holders to such dividend or to any undeclared part thereof for such financial year shall be forever extinguished. The A2 Preferred Holders shall not be entitled to any dividends other than or in excess of the preferential non-cumulative dividends hereinbefore provided.

4.4 **Dissolution**

(a) In the event of a 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 (whether voluntary or involuntary), other than in connection with a Liquidation Event or a Qualified M&A Transaction (a "**Dissolution Event**"), each A2 Preferred Holder shall be entitled, as such, to promptly receive from the assets and property of the Corporation in respect of each A2 Preferred Share held by such A2 Preferred Holder following payment to any holders of shares ranking senior to the Class A Preferred Shares and on a pari passu basis with all other Class A Preferred Holders but in preference and in priority to the registered holders of any other class of shares of the Corporation which rank junior to the Class A Preferred Shares an amount per share determined by the following formula:

Amount payable per A2 Preferred Share on a Dissolution Event	=	Issue Price X (1 + number of completed years since the Issue Date X 0.08)

(b) If upon any such Dissolution Event the assets of the Corporation available for distribution to its shareholders following payment to any holders of shares ranking senior to the Class A Preferred Shares shall be insufficient to pay (i) the A2 Preferred Holders the full amount to which they shall be entitled under Paragraph 4.4(a), and (ii) the other Class A Preferred Holders the full amounts they would be entitled to under the special rights and restrictions attaching to those shares, the Class A Preferred Holders shall share rateably in any distribution of the assets available for distribution to the Class A Preferred Holders in proportion to the respective amounts which would otherwise be payable in respect of the Class A Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(c) The aggregate amount which an A2 Preferred Holder is entitled to receive under this Section 4.4 in respect of each A2 Preferred Share is hereinafter referred to as the "**A2 Liquidation Price**".

4.5 Liquidation Events

(a) Liquidation Events - Any of the following events, provided that such event is not a Qualified M&A Transaction, shall be considered a "**Liquidation Event**":

(i) an amalgamation, merger or reorganization of the Corporation (other than one in which shareholders of the Corporation own a majority by voting power of the outstanding shares of the surviving or acquiring corporation);

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation.

(b) Rights on Liquidation Event - Upon the occurrence of a Liquidation Event, each A2 Preferred Holder shall be entitled, as such, to promptly receive, in exchange for their A2 Preferred Shares, whether in cash, securities or other property, payment of the greater of (i) the Threshold Price for each A2 Preferred Share held; and (ii) the *pro rata* share of the proceeds of the Liquidation Event to which each A2 Preferred Holder would be entitled, if the Corporation were to distribute such proceeds to all Shareholders (on an "as converted to Common Shares" basis), in such preference and priority as would apply as if a Dissolution Event had occurred.

(c) Effecting a Liquidation Event

(i) The Corporation shall not have the power to effect a Liquidation Event unless the agreement, plan of merger or consolidation, plan of arrangement or amalgamation agreement, as applicable, for such Liquidation Event provides that any consideration payable to the shareholders of the Corporation shall be allocated among the shareholders of the Corporation in accordance with Subsection 4.5(b) above.

(ii) In the event of a Liquidation Event referred to in Paragraph 4.5(a)(iii) or (iv), if the Corporation does not distribute the proceeds of such Liquidation Event to the A2 Preferred Holders in accordance with Subsection 4.5(b) above within 30 days after the effective date of such Liquidation Event, then:

(A) the Corporation shall send a written notice to each A2 Preferred Holder no later than 30 days after the effective date of the Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (B) to require the redemption of such A2 Preferred Shares; and

(B) if the A2 Preferred Holders, by A2 Preferred Approval, request in a written instrument delivered to the Corporation not later than 60 days after the effective date of such Liquidation Event (the "**A2 Liquidation Redemption Notice**"),

the Corporation shall use the consideration received by the Corporation for such Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the directors of the Corporation), together with any other assets of the Corporation available for distribution to its shareholders (the "**Available Proceeds**"), to the extent legally available therefor, to redeem all of the outstanding A2 Preferred Shares at a price per A2 Preferred Share equal to the Threshold Price on the date specified in the A2 Liquidation Redemption Notice.

Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if following payment to any holders of shares ranking senior to the Class A Preferred Shares the Available Proceeds are not sufficient to redeem all outstanding A2 Preferred Shares and any other Class A Preferred Shares entitled to redemption in such circumstances (together, the "**Redeemable Class A Preferred Shares**"), the Corporation shall redeem a pro rata portion of each Class A Preferred Holder's Redeemable Class A Preferred Shares to the fullest extent of any remaining Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the remaining Available Proceeds were sufficient to redeem all such shares, and (iii) redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

(iii) Prior to the distribution or redemption provided for in this Subsection 4.5(c), the Corporation shall not expend or dissipate the Available Proceeds, except to discharge expenses incurred in connection with such Liquidation Event or in the ordinary course of business.

(d) Amount Deemed Paid or Distributed - The amount deemed paid or distributed to the shareholders of the Corporation upon any Liquidation Event shall be the cash or the value of the property, rights or securities paid or distributed to such shareholders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the directors of the Corporation.

(e) Modification and Waiver - Notwithstanding the foregoing, for any proposed Liquidation Event, the notice period, the procedure and the manner of payment in respect of any A2 Preferred Shares may be modified by written agreement between the Corporation and the A2 Preferred Holders by A2 Preferred Approval.

4.6 Retraction Right

(a) Retraction Conditions - Subject to A2 Preferred Approval as contemplated by Subsection 4.6(d), each A2 Preferred Holder shall have the right (the "**Retraction Right**") at any time and from time to time after December 31, 2024 to require the Corporation to redeem, subject to the provisions of the Corporate Legislation and in accordance with this Section 4.6, all or from time to time any part of the A2 Preferred Holder's A2 Preferred Shares held on the Retraction Dates (as defined below) at a price (the "**Retraction Price**") for each A2 Preferred Share to be redeemed equal to the A2 Liquidation Price. The "**Retraction Dates**" mean, collectively, the Initial Retraction Date (as defined below), and the one-year and two-year anniversary of the Initial Retraction Date (the "**Subsequent Retraction Dates**"). The Corporation shall be required to redeem any A2 Preferred Shares submitted to it pursuant to the exercise of a Retraction Right in accordance with this Section 4.6 in equal amounts on each of the Retraction Dates.

(b) Retraction Notice - If an A2 Preferred Holder (the "**Initiator**") chooses to exercise the Retraction Right, then the Initiator shall, at least 90 days before the date specified for retraction, deliver to the Corporation a notice (the "**Retraction Notice**") in writing specifying that the Initiator wishes to exercise the Retraction Right, the number of the Initiator's A2 Preferred Shares to be redeemed and the date chosen by the Initiator upon which the Corporation is to redeem the initial one-third of the Initiator's A2 Preferred Shares (the "**Initial Retraction Date**"). Within seven days of receiving the Retraction Notice, the Corporation shall deliver a written notice (the "**Corporation Notice**") to all other A2 Preferred Holders of the Retraction Notice.

(c) Response to Corporation Notice - Each A2 Preferred Holder who wishes to exercise the Retraction Right shall give written notice to the Corporation within 10 days after receiving the Corporation Notice specifying the number of A2 Preferred Shares it wishes to redeem on the Retraction Date (the "**Offered Shares**").

(d) Redemption of Shares

(i) Subject to Paragraphs 4.6(d)(ii) and 4.6(d)(iii) below, if A2 Preferred Holders by A2 Preferred Approval have notified the Corporation in writing pursuant to

Subsections 4.6(b) and 4.6(c) that they wish to exercise their Retraction Right, then on each Retraction Date, the Corporation shall pay, or cause to be paid, to or to the order of each A2 Preferred Holder so requesting redemption the applicable Retraction Price on presentation and surrender to the Corporation of the certificate(s) representing the Offered Shares being redeemed at such Retraction Date.

(ii) If the retraction set out in Paragraph 4.6(d)(i) above does not receive A2 Preferred Approval then the Corporation shall not retract any Offered Shares on the Retraction Date. Upon determining that the A2 Preferred Approval has not been met, the Corporation shall immediately return to the holder the holders' share certificate(s) which were delivered pursuant to Paragraph 4.6(d)(i).

(iii) If the Corporation cannot redeem all of the Offered Shares in accordance with the foregoing provisions of this Section 4.6 without causing a contravention of the Corporate Legislation, then the Corporation shall redeem such portion of the Offered Shares, on a pro rata basis, as can be redeemed without causing such contravention, and the Corporation shall redeem the balance of such Offered Shares, on a pro rata basis, as soon as it is lawfully permitted to do so.

(iv) In all cases the Corporation shall pay for shares redeemed hereunder by cash, certified cheque, bank draft or solicitor's trust cheque.

(e) <u>Certificate for Remaining Shares</u> - If only part of the A2 Preferred Shares represented by any certificate presented are redeemed, then a new certificate for the unredeemed balance of the A2 Preferred Shares represented by such certificate(s) shall promptly be issued and delivered to the registered holder thereof at the expense of the Corporation.

(f) <u>Additional Notice</u> - If the Corporation issues a redemption notice or receives a retraction notice (an "**Additional Notice**") in respect of a request by a holder for the redemption of any share of any series or class of shares of the Corporation having a right of redemption (other than A2 Preferred Shares) then, provided that at the time of the Additional Notice, the A2 Preferred Holders have the right to require the Corporation to redeem all or part of the A2 Preferred Shares pursuant to the provisions of Subsection 4.6(a), the Corporation shall promptly deliver a copy of the Additional Notice to each of the A2 Preferred Holders. Each Person entitled to exercise the Retraction Right under this Section 4.6, and each Class A Preferred Holder holding shares in a series of Class A Preferred Shares which contain retraction rights (which, together with the A2 Preferred Shares are the "**Retractable Class A Preferred Shares**") shall be entitled to require the Corporation to redeem all or part of such Retractable Class A Preferred Shares following the redemption of any shares of any other class of shares of the Corporation ranking senior to the Class A Preferred Shares and in preference and priority to any other class of shares of the Corporation ranking junior to the Class A Preferred Shares, and pro-rata and pari passu with any other series of Class A Preferred Shares of the Corporation, in each case otherwise on the same terms and conditions as set forth in Subsections 4.6(a) and 4.6(c) to 4.6(f) provided that for the purposes of a redemption pursuant to this Subsection 4.6(g), the term "Corporation Notice" shall be taken to mean the term "Additional

Notice", as defined above, and the term "Retraction Date" shall be taken to mean the date for redemption applicable for the redemption of the shares covered by the Additional Notice. If the Corporation cannot redeem all of the shares requested to be redeemed on such date for redemption without causing a contravention of the Corporate Legislation, then the Corporation shall, notwithstanding any other provision of these Sections, redeem such portion of the Retractable Class A Preferred Shares as can be redeemed without causing such contravention and the Corporation shall redeem the balance of such Retractable Class A Preferred Shares as soon as it is lawfully permitted to do so, and after all such Retractable Class A Preferred Shares are redeemed in accordance with the foregoing, the Corporation may redeem such other shares of the Corporation having a right of redemption.

(g) Modification - Notwithstanding the foregoing, for any particular redemption, the notice period, the right to receive an Additional Notice, the procedure and the manner of payment for the retraction of any A2 Preferred Shares may be modified by written agreement between the Corporation and the A2 Preferred Holders by A2 Preferred Approval.

4.7 **Conversion at the Holder's Option** - Each of the A2 Preferred Holders shall have the right (the "Conversion Right") at any time, or from time to time, to convert all or any part of its A2 Preferred Shares into fully paid Common Shares on the following basis:

(a) Conversion Notice - An A2 Preferred Holder may exercise an A2 Preferred Holder's Conversion Right by notice (the "**Conversion Notice**") in writing delivered to the Corporation. The Conversion Notice shall (i) specify the number of A2 Preferred Shares (the "**Specified Shares**") the A2 Preferred Holder delivering the Conversion Notice wishes to be converted, (ii) be signed by the A2 Preferred Holder and (iii) be accompanied by the certificate or certificates representing the A2 Preferred Shares to be so converted.

(b) Conversion Procedure - Effective as of the date of receipt by the Corporation of a duly signed Conversion Notice and accompanying share certificate or certificates, the Corporation shall issue and promptly deliver to the A2 Preferred Holder tendering the Conversion Notice a certificate representing that number of fully paid and non-assessable Common Shares which is equal to the number of Specified Shares multiplied by the Conversion Ratio then in effect. If less than all the A2 Preferred Shares represented by any certificate are converted, the Corporation shall at its expense promptly issue and promptly deliver a new share certificate to the holder thereof for the balance of the A2 Preferred Shares not converted.

4.8 **Automatic Conversion**

(a) Conversion Events - All of the issued and outstanding A2 Preferred Shares shall immediately and automatically be converted into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect on the earlier of:

(i) the closing of a Qualified IPO; and

(ii) the closing of a Qualified M&A Transaction;

(iii) the date that is 30 days following the receipt by the Corporation of the written consent of holders of a majority of the A2 Preferred Shares to the conversion of the A2 Preferred Shares into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect (an "**Elected Conversion**"), (each an "**Automatic Conversion Event**").

(b) Advance Surrender - At least 21 days before closing of an Automatic Conversion Event the Corporation shall give written notice of the intended closing or conversion to all A2 Preferred Holders and such holders shall deliver, in trust, the certificates representing their A2 Preferred Shares to the Corporation, or to a trust company designated in the notice, at least 10 days prior to the estimated offering date or sale date. If the closing of the Qualified IPO does not occur within 60 days of the notice, the Qualified IPO shall be deemed not to have occurred and any certificate(s) that have been so surrendered shall be returned by the Corporation to the respective A2 Preferred Holder.

(c) Conversion Procedure - On an Automatic Conversion Event, the Corporation shall promptly issue and promptly deliver to each A2 Preferred Holder (other than Conversion Delinquent Holders (as defined below)) certificates representing fully paid and non-assessable Common Shares for the number of shares equal to the number of A2 Preferred Shares held by the A2 Preferred Holder multiplied by the Conversion Ratio then in effect, and shall cancel all share certificates representing A2 Preferred Shares.

(d) Conversion Delinquent Holders If any of the A2 Preferred Holders (the "**Conversion Delinquent Holders**") do not deliver their certificates representing A2 Preferred Shares to the Corporation in accordance with Subsection 4.8(b), the Corporation shall have the right to issue certificates representing that number of fully paid and non-assessable Common Shares equal to the number of A2 Preferred Shares held by the Conversion Delinquent Holder multiplied by the Conversion Ratio then in effect (the "**Conversion Shares**") and:

(i) in the case of a Qualified IPO the share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will deliver the certificates representing the Conversion Shares to the Corporation's transfer agent (the "**Transfer Agent**") who will hold such share certificates and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A2 Preferred Shares;

(ii) in the case of a Qualified M&A Transaction, the purchaser of the Common Shares pursuant to the Qualified M&A Transaction (the "**Purchaser**") shall have the right to deposit the applicable purchase price for the Conversion Shares in a special account at any financial institution in Canada, to be paid proportionately with interest, to each respective Conversion Delinquent Holder upon presentation and surrender to such financial institution of the certificates or documents representing such holder's A2 Preferred Shares and an instrument of transfer which transfers the such holder's Conversion Shares to the Purchaser. Upon the deposit of such purchase price being made, the Corporation shall issue the share certificate for the Conversion Shares in respect of which the deposit was made in the name of the Purchaser and shall deliver such share certificates to the Purchaser and such Conversion Shares shall hereby automatically (without any further action of any kind on the part of the Conversion Delinquent Holders or the Purchaser) be transferred to and purchased by the Purchaser and shall be transferred on the books of the Corporation to the Purchaser and the rights of the Conversion Delinquent Holders in respect of those Conversion Shares after such deposit shall hereby be limited to receiving, with interest, their respective portion of the total amount so deposited against presentation and surrender of the certificates or documents representing their respective A2 Preferred Shares and an instrument of transfer which transfers the Conversion Shares to the Purchaser;

(iii) in the case of an Elected Conversion, share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will retain the share certificate in its minute book and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A2 Preferred Shares

(iv) all share certificates of such Conversion Delinquent Holder representing A2 Preferred Shares will be deemed to be cancelled and of no further force and effect.

4.9 **Conversion Price Adjustments for Dilutive Share Issues**- If at any time after the Issue Date, the Corporation issues (other than under Excluded Issuances):

(a) any Common Shares;

(b) securities to purchase or acquire Common Shares;

(c) securities convertible, exercisable into or exchangeable for Common Shares; or

(d) securities which, upon a Dissolution Event, participate in the distribution of the remaining property of the Corporation on the same basis as a Common Share;

(any of which are a "**Dilutive Issue**")

at or with an issue, exercise, conversion or exchange price per Common Share (as the case may be) which is less than the Conversion Price, then at any such time, the Conversion Price shall be adjusted to be the amount calculated by the following formula:

$$\text{New Conversion Price} = \frac{PN + pn}{N + n}$$

where: P the Conversion Price in effect immediately prior to the Dilutive Issue

N the number of Common Shares of the Corporation, calculated on a Fully Diluted Basis, immediately prior to the Dilutive Issue

p the issue, exercise, conversion or exchange price (as the case may be) of the Dilutive Issue

n the number of additional Common Shares of the Corporation issued or issuable under the Dilutive Issue calculated on a Fully Diluted Basis

4.10 **Conversion Price Adjustments for Capital Alterations** - If at any time after the Issue Date, the Corporation subdivides, consolidates or pays a stock dividend on any of its Common Shares, the Conversion Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Conversion Price in effect immediately prior to such event by a fraction:

(a) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(b) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event.

If at any time and from time to time after the Issue Date, the Common Shares are changed into a different class or classes of shares, whether by reclassification, recapitalization, reorganization, arrangement, amalgamation or merger, then each A2 Preferred Holder shall have the right thereafter to convert his A2 Preferred Shares into the kind and amount of shares and other securities and property receivable upon such change by holders of the number of Common Shares into which the A2 Preferred Shares could have been converted immediately prior to such change.

4.11 **Certificate of Conversion Adjustment** - Adjustments made under Sections 4.9 and 4.10 shall be successive and each resulting new Conversion Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Adjustments made under Subsections 4.1(x) and 4.1(hh) shall be successive and each resulting new Issue Price, Threshold Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Upon the occurrence of each such adjustment, the Corporation shall compute the adjustment in accordance with the terms thereof and promptly furnish to each A2 Preferred Holder a certificate setting forth:

(a) the adjustment calculations in detail;

(b) the facts upon which the adjustment and calculations are based;

(c) the resulting new Threshold Price, Conversion Price or Issue Price and Conversion Ratio; and

(d) if applicable, the number and kind of other securities or property which would be received (pursuant to the second paragraph of Section 4.10) by A2 Preferred Holders upon conversion of each A2 Preferred Shares under this Article 4.

Upon written request from time to time of any A2 Preferred Holder, the Corporation shall promptly furnish to such holder a like certificate.

4.12 **Resolution of Calculation and Adjustment Questions** - If at any time a question arises with respect to adjustments or calculations made under this Article 4, such questions shall be determined by the accountants or the auditors of the Corporation, or, if requested in writing by an A2 Preferred Holder or group of A2 Preferred Holders holding at least 10% of the A2 Preferred Shares issued and outstanding, by a single arbitrator pursuant to the *Arbitration Act 1991* (Ontario), and the determination of such arbitrator shall be binding upon the Corporation and all A2 Preferred Holders and all other shareholders of the Corporation.

4.13 **No Fractional Shares** - Notwithstanding any other provision hereof, no fractional shares shall be issued upon any conversion of A2 Preferred Shares and the number of Common Shares to be issued shall be rounded down to the nearest whole share.

4.14 **Reservation of Shares Issuable Upon Conversion** - The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Shares a sufficient number of Common Shares to effect the conversion of all outstanding A2 Preferred Shares and take any corporate action which may, in the opinion of its legal counsel, be necessary in order to enable and effect the full conversion thereof in accordance with the provisions hereof.

4.15 **Restrictive Covenants** - After the Issue Date, the Corporation shall not, without A2 Preferred Approval:

(a) amend or vary the rights, privileges, restrictions and conditions attached to the A2 Preferred Shares or to the Class A Preferred Shares, as a class;

(b) create or issue any class or series of shares ranking in any way senior to or pari passu with the A2 Preferred Shares or with the Class A Preferred Shares, as a class or amend any existing class of shares to rank in any way senior to or pari passu with the A2 Preferred Shares or with the Class A Preferred Shares; or

(c) increase or decrease the authorized number or capital of the Class A Preferred Shares, subdivide or consolidate the issued Class A Preferred Shares, or issue any additional Class A Preferred Shares or A2 Preferred Shares.

The foregoing approval requirements are in addition to any other requirements of the Corporate Legislation.

4.16 **No Impairment** - The Corporation will not, by amendment of its Articles or By-Laws or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the material terms to be observed or performed under this Article 4 by the Corporation, but will at all times in good faith assist in the carrying out of all of the provisions of this Article 4 and in the taking of all action as may be necessary or appropriate in order to protect the rights of the A2 Preferred Holders against impairment.

4.17 **Conflicting Rights** - In the event of any conflict between (i) the provisions of Article 2 pertaining to the Class A Preferred Shares as a class, Article 4 pertaining to the A2 Preferred Shares and the other Articles, if any, pertaining to the other series of Class A Preferred Shares (together the "**Preferred Articles**") and (ii) any other provision of the Corporation's Articles (including the rights, privileges, restrictions and conditions attached to any other class of shares in the share capital of the Corporation), the provisions set forth in the Preferred Articles shall prevail to the extent of such conflict.

The articles of Corporation are amended to create a fourth series of Class A Preferred Shares.

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO SERIES 4 CLASS A PREFERRED SHARES

The fourth series of Class A Preferred shares of the Corporation shall consist of an unlimited number of shares designated as "**A4 Preferred Shares**". The rights, privileges, restrictions and conditions attaching to the A4 Preferred Shares, as a series, are as follows:

6.1 <u>Interpretation</u> - In this Article 6:

(a) "**A4 Liquidation Price**" has the meaning given to that term in Subsection 6.4(c);

(b) "**A4 Preferred Approval**", in respect of a matter, means that A4 Preferred Holders holding at least two thirds of the A4 Preferred Shares issued and outstanding at the time have approved of the matter by:

(i) an instrument in writing which describes the matter approved and refers to the Section hereunder which requires the approval, or

(ii) a meeting at which the A4 Preferred Holders vote together as a separate group;

(c) "**A4 Preferred Holders**" means the registered holders of the A4 Preferred Shares and a "**A4 Preferred Holder**" means any one of them;

(d) "**Affiliate**" means with respect to any Person:

(i) any corporation which is directly or indirectly Controlled by that Person;

(ii) if a corporation, (A) any corporation which Controls that Person, and any corporation which is directly or indirectly Controlled by a corporation which Controls that corporate Person, and (B) any director or officer of such corporation; and

(iii) if a partnership, limited partnership or limited liability company, (A) any partner, general partner, manager or member thereof, and (B) any corporation, partnership, limited partnership or limited liability company which Controls, or which is directly or indirectly Controlled by any corporation, partnership, limited partnership or limited liability company which is directly or indirectly Controlled by any such entity that Controls that partner;

(e) "**Associate**" has the same meaning as has been designated to that term in the Corporate Legislation;

(f) "**Automatic Conversion Event**" has the meaning given to that term in Subsection 6.8(a);

(g) "**Business Day**" means any day except a Saturday, Sunday or legal holiday for Canadian chartered banks in Toronto, Ontario, Canada;

(h) "**Class A Preferred Holders**" means the registered holders of the Class A Preferred Shares and a "**Class A Preferred Holder**" means any one of them;

(i) "**Class A Preferred Shares**" means the Class A Preferred shares in the capital of the Corporation, issuable in series, and "**Class A Preferred Share**" means any one of them, including without limitation the Corporation's Series 1 Class A Preferred Shares (or A1 Preferred Shares), Series 2 Class A Preferred Shares (or A2 Preferred Shares) Series 3 Class A Preferred Shares (or A3 Preferred Shares) and A4 Preferred Shares;

(j) "**Common Shares**" means the common shares in the capital of the Corporation and "**Common Share**" means any one of them;

(k) "**Control**", "**Controlled**" or "**Controls**" means, in relation to any non-corporate entity or undertaking, the right to directly or indirectly conduct the affairs of the entity or undertaking and, in relation to a corporation:

(i) the right to cast a majority of the votes which may be cast at a general meeting of that corporation; or

(ii) the right to elect or appoint, directly or indirectly, a majority of the directors of that corporation;

(l) "**Conversion Price**" means \$0.68, subject to adjustment from time to time under Sections 6.9 and 6.10, and any adjustments made under those Sections shall be successive and each resulting new Conversion Price shall continue in effect until the next adjustment (if any) is made thereunder;

(m) "**Conversion Ratio**", at any particular time, means the Conversion Ratio determined at that time by the following formula:

$$\text{Conversion Ratio} = \frac{\text{Issue Price}}{\text{Conversion Price}}$$

being the ratio at which A4 Preferred Shares may be converted into Common Shares under this Article 6;

(n) "**Corporate Legislation**" means the *Business Corporations Act* (Ontario);

(o) "**Corporation Notice**" has the meaning given to that term in Section 6.6(b);

(p) "**Dissolution Event**" has the meaning given to that term in Subsection 6.4(a);

(q) "**Equity Securities**" means:

(i) shares or any other security of the Corporation that carries the residual right to participate in the earnings of the Corporation and, on liquidation, dissolution or winding-up, in the assets of the Corporation, whether or not the security carries voting rights;

(ii) any warrants, options or rights entitling the holders thereof to purchase or acquire any such securities; or

(iii) any securities issued by the Corporation which are convertible or exchangeable into such securities;

(r) "**Excluded Issuances**" means any securities of the Corporation issued pursuant to:

(i) a duly approved stock dividend or share subdivision;

(ii) the conversion rights of the Preferred Shares;

(iii) the options, warrants, convertible debentures and other rights to purchase or acquire Common Shares which were outstanding on the Issue Date and disclosed in writing by the Corporation to the A4 Preferred Holders before the Issue Date (a copy of such written disclosure is located at the records office of the Corporation);

(iv) any incentive compensation plan or employee share option plan adopted by the Corporation that has received the approval of the board of directors of the Corporation;

(v) securities issuable to lenders of the Corporation as consideration to such lenders for entering into lending agreements with the Corporation;

(vi) securities issued to strategic partners of the Corporation;

(vii) an issuance which has been designated an "Excluded Issuance" by A4 Preferred Approval; or

(viii) a bona fide acquisition by the Corporation whether by merger, consolidation or otherwise.

(s) "**Fair Market Value**" means the value of the A4 Preferred Shares, as determined in accordance with Subsection 6.6(h);

(t) "**Fully Diluted Basis**" at any time means that all options (whether vested or unvested), warrants or other rights of any kind to acquire Common Shares and all securities of the Corporation which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into securities which are themselves convertible into Common Shares) which are outstanding at that time shall be deemed to have been fully exercised, converted or exchanged, as the case may be, and the Common Shares issuable as a result thereof shall be deemed to have been fully issued and to form part of the holdings of the Person(s) entitled to receive such Common Shares;

(u) "**Fully Diluted Common Shares**" means all the Common Shares which would be outstanding if all securities of the Corporation which are outstanding at that time and which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into shares which are themselves convertible into Common Shares) at that time were fully exercised, converted or exchanged, as the case may be, into Common Shares;

(v) "**Issue Date**" means the first date upon which A4 Preferred Shares are issued;

(w) "**Issue Price**" means $0.68, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the A4 Preferred Shares after the Issue Date and the Issue Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Issue Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of A4 Preferred Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of A4 Preferred Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Issue Price shall continue in effect until the next adjustment (if any) is made;

(x) "**Liquidation Event**" has the meaning given to that term in Subsection 6.5(a);

(y) "**Offered Shares**" has the meaning given to that term in Subsection 6.6(c);

(z) "**Person**" means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, power of attorney or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted;

(aa) "**Preferred Shares**" means the preferred shares in the capital of the Corporation, issuable by class or series as set out in the Articles of the Corporation and "**Preferred Share**" means any one of them;

(bb) "**Qualified IPO**" means completion of a public offering of Common Shares from treasury at a price per Common Share of not less than the Threshold Price which results in sale proceeds (net of underwriting discounts or commissions and offering expenses) to the Corporation of at least $8,000,000;

(cc) "**Qualified M&A Transaction**" means:

(i) an amalgamation, merger or reorganization of the Corporation;

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation;

which, in each case, results in the A4 Preferred Holder receiving consideration in an amount equal to or greater than the Threshold Price multiplied by the number of A4 Preferred Shares (or Common Shares issued upon the conversion thereof in accordance with Subsection 6.8(a), as applicable) held by such A4 Preferred Holder; provided that for the avoidance of doubt and notwithstanding anything else herein to the contrary, for purposes of the immediately foregoing, an "A4 Preferred Holder" shall be deemed to mean a holder of Common Shares issued upon the conversion of such holder's A4 Preferred Shares upon the occurrence of a Qualified M&A Transaction in accordance with Subsection 6.8.(a);

(dd) "**Retracting Holder**" has the meaning given to that term in Subsection 6.6(d);

(ee) "**Retraction Price**" has the meaning given to that term in Subsection 6.6(a);

(ff) "**Shares**" means shares of any class in the share capital of the Corporation from time to time and "**Share**" means any one of them;

(gg) "**Threshold Price**" means $0.9044, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the Common Shares after the Issue Date and the Threshold Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Threshold Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Threshold Price shall continue in effect until the next adjustment (if any) is made;

(hh) "**Unpaid Dividends**" has the meaning given to that term in Paragraph 6.4(a);

(ii) other terms defined elsewhere in this Article 6 shall have the meanings so ascribed thereto;

(jj) unless otherwise provided, all dollar amounts referred to are in lawful money of Canada; and

(kk) time shall be of the essence.

6.2 **<u>Voting Rights</u>** - Each of the A4 Preferred Holders shall be entitled as such to receive notice of and to attend all meetings of the shareholders of the Corporation (except meetings at which only holders of another class or series of shares of the Corporation are required by law to vote separately as a class or series) and at each such meeting shall have one vote in person or by proxy for each Common Share which the A4 Preferred Holder would be entitled to receive upon full conversion of its A4 Preferred Shares into Common Shares under Section 6.7 as at the record date of the meeting. A4 Preferred Holders and the holders of Common Shares and other Preferred Shares will vote as one class, except as required by law.

6.3 **<u>Dividends</u>** – A4 Preferred Holders shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, in priority to the holders of Common Shares and all other shares ranking junior to the Class A Preferred Shares, fixed preferential non-cumulative dividends of $0.04352 per share *per annum*. If within 4 months after the expiration of any financial year of the Corporation the board of directors in its discretion has not declared the said dividend or any part thereof on the A4 Preferred Shares for the financial year, then the rights of the A4 Preferred Holders to such dividend or to any undeclared part thereof for such financial year shall be forever extinguished. The A4 Preferred Holders shall not be entitled to any dividends other than or in excess of the preferential non-cumulative dividends hereinbefore provided.

6.4 **<u>Dissolution</u>**

(ll) In the event of a 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 (whether voluntary or involuntary), other than in connection with a Liquidation Event or a Qualified M&A Transaction (a "**Dissolution Event**"), each A4 Preferred Holder shall be entitled, as such, to promptly receive from the assets and property of the Corporation in respect of each A4 Preferred Share held by such A4 Preferred Holder following payment to any holders of shares ranking senior to the Class A Preferred Shares and on a pari passu basis with all other Class A Preferred Holders but in preference and in priority to the registered holders of any other class of shares of the Corporation which rank junior to the Class A Preferred Shares, including, without limitation, an amount per share determined by the following formula:

Amount payable per A4 Preferred Share on a Dissolution Event	=	Issue Price X 0.8 X (1 + number of completed years since the Issue Date X 0.08)

(mm) If upon any such Dissolution Event the assets of the Corporation available for distribution to its shareholders following payment to any holders of shares ranking senior to the Class A Preferred Shares shall be insufficient to pay (i) the A4 Preferred Holders the full amount to which they shall be entitled under Paragraph 6.4(a), and (ii) the other Class A Preferred Holders the full amounts they would be entitled to under the special rights and restrictions attaching to those shares, the Class A Preferred Holders shall share rateably in any distribution of the assets available for distribution to the Class A Preferred Holders in proportion to the respective amounts which would otherwise be payable in respect of the Class A Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(nn) The aggregate amount which an A4 Preferred Holder is entitled to receive under this Section 6.4 in respect of each A4 Preferred Share is hereinafter referred to as the "**A4 Liquidation Price**".

6.5 Liquidation Events

(oo) Liquidation Events - Any of the following events, provided that such event is not a Qualified M&A Transaction, shall be considered a "**Liquidation Event**":

(i) an amalgamation, merger or reorganization of the Corporation (other than one in which shareholders of the Corporation own a majority by voting power of the outstanding shares of the surviving or acquiring corporation);

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation.

(pp) Rights on Liquidation Event - Upon the occurrence of a Liquidation Event, each A4 Preferred Holder shall be entitled, as such, to promptly receive, in exchange for their A4 Preferred Shares, whether in cash, securities or other property, payment of the greater of (i) 80% of the Threshold Price for each A4 Preferred Share held; and (ii) the *pro rata* share of the proceeds of the Liquidation Event to which each A4 Preferred Holder would be entitled, if the Corporation were to distribute such proceeds to all Shareholders (on an "as converted to Common Shares" basis), in such preference and priority as would apply as if a Dissolution Event had occurred.

(qq) Effecting a Liquidation Event

(i) The Corporation shall not have the power to effect a Liquidation Event unless the agreement, plan of merger or consolidation, plan of arrangement or amalgamation agreement, as applicable, for such Liquidation Event provides that any consideration payable to the shareholders of the Corporation shall be allocated among the shareholders of the Corporation in accordance with Subsection 6.5(b) above.

(ii) In the event of a Liquidation Event referred to in Paragraph 6.5(a)(iii) or (iv), if the Corporation does not distribute the proceeds of such Liquidation Event to the A4 Preferred Holders in accordance with Subsection 6.5(b) above within 30 days after the effective date of such Liquidation Event, then:

(A) the Corporation shall send a written notice to each A4 Preferred Holder no later than 30 days after the effective date of the Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (B) to require the redemption of such A4 Preferred Shares; and

(B) if the A4 Preferred Holders, by A4 Preferred Approval, request in a written instrument delivered to the Corporation not later than 60 days after the effective date of such Liquidation Event (the "**A4 Liquidation Redemption Notice**"),

the Corporation shall use the consideration received by the Corporation for such Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the directors of the Corporation), together with any other assets of the Corporation available for distribution to its shareholders (the "**Available Proceeds**"), to the extent legally available therefor, to redeem all of the outstanding A4 Preferred Shares at a price per A4 Preferred Share equal to the greater of (i) 80% of the Threshold Price for each A4 Preferred Share held; and (ii) the *pro rata* share of the proceeds of the Liquidation Event to which each A4 Preferred Holder would be entitled, if the Corporation were to distribute such proceeds to all Shareholders (on an "as converted to Common Shares" basis), as set forth Subsection 6.5(b) above, on the date specified in the A4 Liquidation Redemption Notice.

Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if following payment to any holders of shares ranking senior to the Class A Preferred Shares the Available Proceeds are not sufficient to redeem all outstanding A4 Preferred Shares and any other Class A Preferred Shares entitled to redemption in such circumstances (together, the "**Redeemable Class A Preferred Shares**"), the Corporation shall redeem a pro rata portion of each Class A Preferred Holder's Redeemable Class A Preferred Shares to the fullest extent of any remaining Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the remaining Available Proceeds were sufficient to redeem all such shares, and (iii) redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

(iii) Prior to the distribution or redemption provided for in this Subsection 6.5(c), the Corporation shall not expend or dissipate the Available Proceeds, except to discharge expenses incurred in connection with such Liquidation Event or in the ordinary course of business.

(rr) Amount Deemed Paid or Distributed - The amount deemed paid or distributed to the shareholders of the Corporation upon any Liquidation Event shall be the cash or the value of the property, rights or securities paid or distributed to such shareholders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the directors of the Corporation.

(ss) Modification and Waiver - Notwithstanding the foregoing, for any proposed Liquidation Event, the notice period, the procedure and the manner of payment in respect of any A4 Preferred Shares may be modified by written agreement between the Corporation and the A4 Preferred Holders by A4 Preferred Approval.

6.6 Retraction Right

(tt) Retraction Conditions - Subject to A4 Preferred Approval as contemplated by Subsection 6.6(d), and full payment by the electing A4 Preferred Holders of the independent valuator's applicable invoice(s), each A4 Preferred Holder shall have the right (the "**Retraction Right**") at any time and from time to time after December 31, 2024 to require the Corporation to redeem, subject to the provisions of the Corporate Legislation and approval of the Corporation's Board of Directors, and in accordance with this Section 6.6, all or from time to time any part of the A4 Preferred Holder's A4 Preferred Shares held on the Retraction Dates (as defined below) at a price (the "**Retraction Price**") for each A4 Preferred Share to be redeemed equal to the A4 Liquidation Price plus any increase in value between the original purchase price of the A4 Preferred Share and the Fair Market Value of each A4 Preferred Share when the Retraction Right is exercised. The "**Retraction Dates**" mean, collectively, the Initial Retraction Date (as defined below), and the one-year and two-year anniversary of the Initial Retraction Date (the "**Subsequent Retraction Dates**"). The Corporation shall be required to redeem any A4 Preferred Shares submitted to it pursuant to the exercise of a Retraction Right in accordance with this Section 6.6 in equal amounts on each of the Retraction Dates. A request by the Corporation to the electing A4 Preferred Holders to waive the Retraction Right based on the Corporation's capital plans shall not be unreasonably withheld, conditioned or delayed. In no event shall any shares of the Corporation which rank junior to the A4 Preferred Shares, including, without limitation, the Common Shares, be redeemed in advance of the A4 Preferred Shares.

(uu) Retraction Notice - If an A4 Preferred Holder (the "**Initiator**") chooses to exercise the Retraction Right, then the Initiator shall, at least 90 days before the date specified for retraction, deliver to the Corporation a notice (the "**Retraction Notice**") in writing specifying that the Initiator wishes to exercise the Retraction Right, the number of the

Initiator's A4 Preferred Shares to be redeemed and the date chosen by the Initiator upon which the Corporation is to redeem the initial one-third of the Initiator's A4 Preferred Shares (the "**Initial Retraction Date**"). Within seven days of receiving the Retraction Notice, the Corporation shall deliver a written notice (the "**Corporation Notice**") to all other A4 Preferred Holders of the Retraction Notice.

(vv) Response to Corporation Notice - Each A4 Preferred Holder who wishes to exercise the Retraction Right shall give written notice to the Corporation within 10 days after receiving the Corporation Notice specifying the number of A4 Preferred Shares it wishes to redeem on the Retraction Date (the "**Offered Shares**").

(ww) Redemption of Shares

(i) Subject to Paragraphs 6.6(d)(ii) and 6.6(d)(iii) below, if A4 Preferred Holders by A4 Preferred Approval have notified the Corporation in writing pursuant to Subsections 6.6(b) and 6.6(c) that they wish to exercise their Retraction Right, then on each Retraction Date, the Corporation shall pay, or cause to be paid, to or to the order of each A4 Preferred Holder so requesting redemption the applicable Retraction Price on presentation and surrender to the Corporation of the certificate(s) representing the Offered Shares being redeemed at such Retraction Date.

(ii) If the retraction set out in Paragraph 6.6(d)(i) above does not receive A4 Preferred Approval then the Corporation shall not retract any Offered Shares on the Retraction Date. Upon determining that the A4 Preferred Approval has not been met, the Corporation shall immediately return to the holder the holders' share certificate(s) which were delivered pursuant to Paragraph 6.6(d)(i).

(iii) If the Corporation cannot redeem all of the Offered Shares in accordance with the foregoing provisions of this Section 6.6 without causing a contravention of the Corporate Legislation, then the Corporation shall redeem such portion of the Offered Shares, on a pro rata basis, as can be redeemed without causing such contravention, and the Corporation shall redeem the balance of such Offered Shares, on a pro rata basis, as soon as it is lawfully permitted to do so.

(iv) In all cases the Corporation shall pay for shares redeemed hereunder by cash, certified cheque, bank draft or solicitor's trust cheque.

(xx) Certificate for Remaining Shares - If only part of the A4 Preferred Shares represented by any certificate presented are redeemed, then a new certificate for the unredeemed balance of the A4 Preferred Shares represented by such certificate(s) shall promptly be issued and delivered to the registered holder thereof at the expense of the Corporation.

(yy) Additional Notice - If the Corporation issues a redemption notice or receives a retraction notice (an "**Additional Notice**") in respect of a request by a holder for the redemption of any share of any series or class of shares of the Corporation having a right of redemption (other than A4 Preferred Shares) then, provided that at the time of the Additional Notice, the A4 Preferred Holders have the right to require the Corporation to redeem all or part of the A4 Preferred Shares pursuant to the provisions of Subsection 6.6(a), the Corporation shall promptly deliver a copy of the Additional Notice to each of the A4 Preferred Holders. Each Person entitled to exercise the Retraction Right under this Section 6.6, and each Class A Preferred Holder holding shares in a series of Class A Preferred Shares which contain retraction rights (which, together with the A4 Preferred Shares are the "**Retractable Class A Preferred Shares**") shall be entitled to require the Corporation to redeem all or part of such Retractable Class A Preferred Shares following the redemption of any shares of any other class of shares of the Corporation ranking senior to the Class A Preferred Shares and in preference and priority to any other class of shares of the Corporation ranking junior to the Class A Preferred Shares, and pro-rata and pari passu with any other series of Class A Preferred Shares of the Corporation, in each case otherwise on the same terms and conditions as set forth in Subsections 6.6(a) and 6.6(c) to 6.6(f) provided that for the purposes of a redemption pursuant to this Subsection 6.6(g), the term "Corporation Notice" shall be taken to mean the term "Additional Notice", as defined above, and the term "Retraction Date" shall be taken to mean the date for redemption applicable for the redemption of the shares covered by the Additional Notice. If the Corporation cannot redeem all of the shares requested to be redeemed on such date for redemption without causing a contravention of the Corporate Legislation, then the Corporation shall, notwithstanding any other provision of these Sections, redeem such portion of the Retractable Class A Preferred Shares as can be redeemed without causing such contravention and the Corporation shall redeem the balance of such Retractable Class A Preferred Shares as soon as it is lawfully permitted to do so, and after all such Retractable Class A Preferred Shares are redeemed in accordance with the foregoing, the Corporation may redeem such other shares of the Corporation having a right of redemption.

(zz) Modification - Notwithstanding the foregoing, for any particular redemption, the notice period, the right to receive an Additional Notice, the procedure and the manner of payment for the retraction of any A4 Preferred Shares may be modified by written agreement between the Corporation and the A4 Preferred Holders by A4 Preferred Approval.

(aaa) Fair Market Value – In the event that an Initiator wishes to exercise its Retraction Rights hereunder, the board of directors of the Corporation shall inform the Initiator what it believes to be, in its good faith judgment, the Fair Market Value, which Fair Market Value shall be the same as the Fair Market Value offered to each other Initiator wishing to exercise its Retraction Rights at or about the same time. The Initiator shall have the right to accept or reject, in its sole discretion, the Fair Market Value determined by the board of directors. In the event that the Initiator does not accept the Fair Market Value determined by the board of directors, the Initiator and the Corporation shall instruct an independent valuator, mutually agreed upon by the Corporation and the A4 Preferred Holders holding two-thirds of the A4 Preferred Shares held by all Initiators requesting retraction (the "**Valuator**"), to determine the Fair Market Value of the A4 Preferred Shares within 30 days following his, her or its appointment. In making its determination as to the Fair Market Value of any A4 Preferred Shares, the Valuator shall not take into account the fact that such A4 Preferred Shares do or do not form part of a "control block". The determination of the Valuator as to the Fair Market Value of the A4

Preferred Shares shall be final and binding upon the Initiator and the Corporation. If the Corporation and the A4 Preferred Holders holding two-thirds of the A4 Preferred Shares held by all Initiators requesting retraction fail to mutually agree on a Valuator on or before the 20th Business Day following written request by the Initiator for a determination of the Fair Market Value of the A4 Preferred Shares, then the Initiator and the Corporation shall each appoint one arbitrator within five (5) days thereafter. The two arbitrators shall then promptly meet and decide upon the appointment of a Valuator and the decision of the arbitrators shall be final and binding upon the parties. The Valuator shall have access to the books, accounts, records, vouchers, cheques, papers and documents of, or which may relate to, the Corporation. The Corporation shall cooperate with the Valuator and shall provide all information and documents reasonably requested by the Valuator. All reasonable fees and disbursements charged by the Valuator shall be paid by the Initiator.

6.7 Conversion at the Holder's Option - Each of the A4 Preferred Holders shall have the right (the "Conversion Right") at any time, or from time to time, to convert all or any part of its A4 Preferred Shares into fully paid Common Shares on the following basis:

(bbb) Conversion Notice - An A4 Preferred Holder may exercise an A4 Preferred Holder's Conversion Right by notice (the "**Conversion Notice**") in writing delivered to the Corporation. The Conversion Notice shall (i) specify the number of A4 Preferred Shares (the "**Specified Shares**") the A4 Preferred Holder delivering the Conversion Notice wishes to be converted, (ii) be signed by the A4 Preferred Holder and (iii) be accompanied by the certificate or certificates representing the A4 Preferred Shares to be so converted.

(ccc) Conversion Procedure - Effective as of the date of receipt by the Corporation of a duly signed Conversion Notice and accompanying share certificate or certificates, the Corporation shall issue and promptly deliver to the A4 Preferred Holder tendering the Conversion Notice a certificate representing that number of fully paid and non-assessable Common Shares which is equal to the number of Specified Shares multiplied by the Conversion Ratio then in effect. If less than all the A4 Preferred Shares represented by any certificate are converted, the Corporation shall at its expense promptly issue and promptly deliver a new share certificate to the holder thereof for the balance of the A4 Preferred Shares not converted.

6.8 Automatic Conversion

(ddd) Conversion Events - All of the issued and outstanding A4 Preferred Shares shall immediately and automatically be converted into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect on the earlier of:

(i) the closing of a Qualified IPO; and

(ii) the closing of a Qualified M&A Transaction;

(iii) the date that is 30 days following the receipt by the Corporation of the written consent of holders of a majority of the A4 Preferred Shares to the conversion of the A4 Preferred Shares into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect (an "**Elected Conversion**"), (each an "**Automatic Conversion Event**").

(eee) Advance Surrender - At least 21 days before closing of an Automatic Conversion Event the Corporation shall give written notice of the intended closing or conversion to all A4 Preferred Holders and such holders shall deliver, in trust, the certificates representing their A4 Preferred Shares to the Corporation, or to a trust company designated in the notice, at least 10 days prior to the estimated offering date or sale date. If the closing of the Qualified IPO does not occur within 60 days of the notice, the Qualified IPO shall be deemed not to have occurred and any certificate(s) that have been so surrendered shall be returned by the Corporation to the respective A4 Preferred Holder.

(fff) Conversion Procedure - On an Automatic Conversion Event, the Corporation shall promptly issue and promptly deliver to each A4 Preferred Holder (other than Conversion Delinquent Holders (as defined below)) certificates representing fully paid and non-assessable Common Shares for the number of shares equal to the number of A4 Preferred Shares held by the A4 Preferred Holder multiplied by the Conversion Ratio then in effect, and shall cancel all share certificates representing A4 Preferred Shares.

(ggg) Conversion Delinquent Holders If any of the A4 Preferred Holders (the "**Conversion Delinquent Holders**") do not deliver their certificates representing A4 Preferred Shares to the Corporation in accordance with Subsection 6.8(b), the Corporation shall have the right to issue certificates representing that number of fully paid and non-assessable Common Shares equal to the number of A4 Preferred Shares held by the Conversion Delinquent Holder multiplied by the Conversion Ratio then in effect (the "**Conversion Shares**") and:

(i) in the case of a Qualified IPO the share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will deliver the certificates representing the Conversion Shares to the Corporation's transfer agent (the "**Transfer Agent**") who will hold such share certificates and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A4 Preferred Shares;

(ii) in the case of a Qualified M&A Transaction, the purchaser of the Common Shares pursuant to the Qualified M&A Transaction (the "**Purchaser**") shall have the right to deposit the applicable purchase price for the Conversion Shares in a special account at any financial institution in Canada, to be paid proportionately with interest, to each respective Conversion Delinquent Holder upon presentation and surrender to such financial institution of the certificates or documents representing such holder's A4 Preferred Shares and an instrument of transfer which transfers the such holder's Conversion Shares to the Purchaser. Upon the deposit of such purchase price being made, the Corporation shall issue the share certificate for the Conversion Shares in respect of which the deposit was made in the name of the Purchaser and shall deliver such share certificates to the

Purchaser and such Conversion Shares shall hereby automatically (without any further action of any kind on the part of the Conversion Delinquent Holders or the Purchaser) be transferred to and purchased by the Purchaser and shall be transferred on the books of the Corporation to the Purchaser and the rights of the Conversion Delinquent Holders in respect of those Conversion Shares after such deposit shall hereby be limited to receiving, with interest, their respective portion of the total amount so deposited against presentation and surrender of the certificates or documents representing their respective A4 Preferred Shares and an instrument of transfer which transfers the Conversion Shares to the Purchaser;

(iii) in the case of an Elected Conversion, share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will retain the share certificate in its minute book and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A4 Preferred Shares

(iv) all share certificates of such Conversion Delinquent Holder representing A4 Preferred Shares will be deemed to be cancelled and of no further force and effect.

6.9 **<u>Conversion Price Adjustments for Dilutive Share Issues</u>**- If at any time after the Issue Date, the Corporation issues (other than under Excluded Issuances):

(hhh) any Common Shares;

(iii) securities to purchase or acquire Common Shares;

(jjj) securities convertible, exercisable into or exchangeable for Common Shares; or

(kkk) securities which, upon a Dissolution Event, participate in the distribution of the remaining property of the Corporation on the same basis as a Common Share;

(any of which are a "**Dilutive Issue**")

at or with an issue, exercise, conversion or exchange price per Common Share (as the case may be) which is less than 80% of the Conversion Price, then at any such time, the Conversion Price shall be adjusted to be the amount calculated by the following formula:

$$\text{New Conversion Price} = \frac{(0.8)PN + pn}{N + n} \times 1.25$$

where:

P the Conversion Price in effect immediately prior to the Dilutive Issue

N the number of Common Shares of the Corporation, calculated on a Fully Diluted Basis, immediately prior to the Dilutive Issue p the issue, exercise, conversion or exchange price (as the case may be) of the Dilutive Issue

n the number of additional Common Shares of the Corporation issued or issuable under the Dilutive Issue calculated on a Fully Diluted Basis

6.10 **<u>Conversion Price Adjustments for Capital Alterations</u>** - If at any time after the Issue Date, the Corporation subdivides, consolidates or pays a stock dividend on any of its Common Shares, the Conversion Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Conversion Price in effect immediately prior to such event by a fraction:

(lll) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(mmm)the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event.

If at any time and from time to time after the Issue Date, the Common Shares are changed into a different class or classes of shares, whether by reclassification, recapitalization, reorganization, arrangement, amalgamation or merger, then each A4 Preferred Holder shall have the right thereafter to convert his A4 Preferred Shares into the kind and amount of shares and other securities and property receivable upon such change by holders of the number of Common Shares into which the A4 Preferred Shares could have been converted immediately prior to such change.

6.11 **<u>Certificate of Conversion Adjustment</u>** - Adjustments made under Sections 6.9 and 6.10 shall be successive and each resulting new Conversion Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Adjustments made under Subsections 6.1(x) and 6.1(hh) shall be successive and each resulting new Issue Price, Threshold Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Upon the occurrence of each such adjustment, the Corporation shall compute the adjustment in accordance with the terms thereof and promptly furnish to each A4 Preferred Holder a certificate setting forth:

(nnn) the adjustment calculations in detail;

(ooo) the facts upon which the adjustment and calculations are based;

(ppp) the resulting new Threshold Price, Conversion Price or Issue Price and Conversion Ratio; and

(qqq) if applicable, the number and kind of other securities or property which would be received (pursuant to the second paragraph of Section 6.10) by A4 Preferred Holders upon conversion of each A4 Preferred Shares under this Article 6.

Upon written request from time to time of any A4 Preferred Holder, the Corporation shall promptly furnish to such holder a like certificate.

6.12 **Resolution of Calculation and Adjustment Questions** - If at any time a question arises with respect to adjustments or calculations made under this Article 6, such questions shall be determined by the accountants or the auditors of the Corporation, or, if requested in writing by an A4 Preferred Holder or group of A4 Preferred Holders holding at least 10% of the A4 Preferred Shares issued and outstanding, by a single arbitrator pursuant to the *Arbitration Act 1991* (Ontario), and the determination of such arbitrator shall be binding upon the Corporation and all A4 Preferred Holders and all other shareholders of the Corporation.

6.13 **No Fractional Shares** - Notwithstanding any other provision hereof, no fractional shares shall be issued upon any conversion of A4 Preferred Shares and the number of Common Shares to be issued shall be rounded down to the nearest whole share.

6.14 **Reservation of Shares Issuable Upon Conversion** - The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Shares a sufficient number of Common Shares to effect the conversion of all outstanding A4 Preferred Shares and take any corporate action which may, in the opinion of its legal counsel, be necessary in order to enable and effect the full conversion thereof in accordance with the provisions hereof.

6.15 **Restrictive Covenants** - After the Issue Date, the Corporation shall not, without A4 Preferred Approval:

(rrr) amend or vary the rights, privileges, restrictions and conditions attached to the A4 Preferred Shares or to the Class A Preferred Shares, as a class;

(sss) create or issue any class or series of shares ranking in any way senior to or pari passu with the A4 Preferred Shares or with the Class A Preferred Shares, as a class, or amend any existing class or series of shares to rank in any way senior to or pari passu with the A4 Preferred Shares or with the Class A Preferred Shares, as a class; or

(ttt) increase or decrease the authorized number or capital of the Class A Preferred Shares, subdivide or consolidate the issued Class A Preferred Shares, or issue any additional Class A Preferred Shares (including any series thereof) or A4 Preferred Shares.

The foregoing approval requirements are in addition to any other requirements of the Corporate Legislation.

6.16 **No Impairment** - The Corporation will not, by amendment of its Articles or By-Laws or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the material terms to be observed or performed under this Article 6 by the Corporation, but will at all times in good faith assist in the carrying out of all of the provisions of this Article 6 and in the taking of all action as may be necessary or appropriate in order to protect the rights of the A4 Preferred Holders against impairment.

6.17 **Conflicting Rights** - In the event of any conflict between (i) the provisions of Article 2 pertaining to the Class A Preferred Shares as a class, Article 6 pertaining to the A4 Preferred Shares and the other Articles, if any, pertaining to the other series of Class A Preferred Shares (together the "**Preferred Articles**") and (ii) any other provision of the Corporation's Articles (including the rights, privileges, restrictions and conditions attached to any other class of shares in the share capital of the Corporation), the provisions set forth in the Preferred Articles shall prevail to the extent of such conflict.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2017/06/23

(Year, Month, Day)
(année, mois, jour)

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

NEWTOPIA INC.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrir le nom de la société de l'article un à la page une).

By/
Par : "David Latner"

(Signature)

Secretary

(Description of Office)
(Fonction)

For Ministry Use Only
À l'usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario

2172351

Ministry of Government Services
Ministère des Services gouvernementaux
Ontario
CERTIFICATE
This is to certify that these articles are effective on
CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le
AUGUST 1 9 AOÛT, 2016

Director / Directeur
Business Corporations Act / Loi sur les sociétés par actions

17

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

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

NEWTOPIA INC.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2008/05/09
(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are:
Nombre d'administrateurs :

minimum and maximum number of directors is/are:
nombres minimum et maximum d'administrateurs :

Number
Nombre

or
ou

minimum and maximum
minimum et maximum

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

See pages 1A to and including 1Q attached hereto.

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO SERIES 3 CLASS A PREFERRED SHARES

The third series of Class A Preferred shares of the Corporation shall consist of an unlimited number of shares designated as "**A3 Preferred Shares**". The rights, privileges, restrictions and conditions attaching to the A3 Preferred Shares, as a series, are as follows:

5.1 **Interpretation** - In this Article 5:

(a) "**A3 Liquidation Price**" has the meaning given to that term in Subsection 5.4(c);

(b) "**A3 Preferred Approval**", in respect of a matter, means that A3 Preferred Holders holding at least two thirds of the A3 Preferred Shares issued and outstanding at the time have approved of the matter by:

(i) an instrument in writing which describes the matter approved and refers to the Section hereunder which requires the approval, or

(ii) a meeting at which the A3 Preferred Holders vote together as a separate group;

(c) "**A3 Preferred Holders**" means the registered holders of the A3 Preferred Shares and a "**A3 Preferred Holder**" means any one of them;

(d) "**Affiliate**" means with respect to any Person:

(i) any corporation which is directly or indirectly Controlled by that Person;

(ii) if a corporation, (A) any corporation which Controls that Person, and any corporation which is directly or indirectly Controlled by a corporation which Controls that corporate Person, and (B) any director or officer of such corporation; and

(iii) if a partnership, limited partnership or limited liability company, (A) any partner, general partner, manager or member thereof, and (B) any corporation, partnership, limited partnership or limited liability company which Controls, or which is directly or indirectly Controlled by any corporation, partnership, limited partnership or limited liability company which is directly or indirectly Controlled by any such entity that Controls that partner;

(e) "**Associate**" has the same meaning as has been designated to that term in the Corporate Legislation;

(f) "**Automatic Conversion Event**" has the meaning given to that term in Subsection 5.8(a);

(g) "**Business Day**" means any day except a Saturday, Sunday or legal holiday for Canadian chartered banks in Toronto, Ontario, Canada;

(h) "**Class A Preferred Holders**" means the registered holders of the Class A Preferred Shares and a "**Class A Preferred Holder**" means any one of them;

(i) "**Class A Preferred Shares**" means the Class A Preferred shares in the capital of the Corporation, issuable in series, and "**Class A Preferred Share**" means any one of them, including without limitation the Corporation's Series 1 Class A Preferred Shares (or A1 Preferred Shares), Series 2 Class A Preferred Shares (or A2 Preferred Shares) and A3 Preferred Shares;

(j) "**Common Shares**" means the common shares in the capital of the Corporation and "**Common Share**" means any one of them;

(k) "**Control**", "**Controlled**" or "**Controls**" means, in relation to any non-corporate entity or undertaking, the right to directly or indirectly conduct the affairs of the entity or undertaking and, in relation to a corporation:

(i) the right to cast a majority of the votes which may be cast at a general meeting of that corporation; or

(ii) the right to elect or appoint, directly or indirectly, a majority of the directors of that corporation;

(l) "**Conversion Price**" means \$0.68, subject to adjustment from time to time under Sections 5.9 and 5.10, and any adjustments made under those Sections shall be successive and each resulting new Conversion Price shall continue in effect until the next adjustment (if any) is made thereunder;

(m) "**Conversion Ratio**", at any particular time, means the Conversion Ratio determined at that time by the following formula:

$$\text{Conversion Ratio} = \frac{\text{Issue Price}}{\text{Conversion Price}}$$

being the ratio at which A3 Preferred Shares may be converted into Common Shares under this Article 5;

(n) "**Corporate Legislation**" means the *Business Corporations Act* (Ontario);

(o) "**Corporation Notice**" has the meaning given to that term in Section 5.6(b);

(p) "**Dissolution Event**" has the meaning given to that term in Subsection 5.4(a);

(q) "**Equity Securities**" means:

(i) shares or any other security of the Corporation that carries the residual right to participate in the earnings of the Corporation and, on liquidation, dissolution or winding-up, in the assets of the Corporation, whether or not the security carries voting rights;

(ii) any warrants, options or rights entitling the holders thereof to purchase or acquire any such securities; or

(iii) any securities issued by the Corporation which are convertible or exchangeable into such securities;

(r) "**Excluded Issuances**" means any securities of the Corporation issued pursuant to:

(i) a duly approved stock dividend or share subdivision;

(ii) the conversion rights of the Preferred Shares;

(iii) the options, warrants, convertible debentures and other rights to purchase or acquire Common Shares which were outstanding on the Issue Date and disclosed in writing by the Corporation to the A3 Preferred Holders before the Issue Date (a copy of such written disclosure is located at the records office of the Corporation);

(iv) any incentive compensation plan or employee share option plan adopted by the Corporation that has received the approval of the board of directors of the Corporation;

(v) securities issuable to lenders of the Corporation as consideration to such lenders for entering into lending agreements with the Corporation;

(vi) securities issued to strategic partners of the Corporation;

(vii) an offering of securities by the Corporation through which up to $5,000,000 is raised by sale of Series 2 Class A Preferred Shares, at a price per Series 2 Class A Preferred Share equal to $0.68, between August 4, 2016 and September 30, 2016;

(viii) an issuance which has been designated an "Excluded Issuance" by A3 Preferred Approval; or

(ix) a bona fide acquisition by the Corporation whether by merger, consolidation or otherwise.

(s) "**Exercise Deadline**" has the meaning given to that term in Subsection 5.5(a);

(t) "**Fair Market Value**" means the value of the A3 Preferred Shares, as determined in accordance with Subsection 5.6(h);

(u) "**Fully Diluted Basis**" at any time means that all options (whether vested or unvested), warrants or other rights of any kind to acquire Common Shares and all securities of the Corporation which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into securities which are themselves convertible into Common Shares) which are outstanding at that time shall be deemed to have been fully exercised, converted or exchanged, as the case may be, and the Common Shares issuable as a result thereof shall be deemed to have been fully issued and to form part of the holdings of the Person(s) entitled to receive such Common Shares;

(v) "**Fully Diluted Common Shares**" means all the Common Shares which would be outstanding if all securities of the Corporation which are outstanding at that time and which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into shares which are themselves convertible into Common Shares) at that time were fully exercised, converted or exchanged, as the case may be, into Common Shares;

(w) "**Issue Date**" means the first date upon which A3 Preferred Shares are issued;

(x) "**Issue Price**" means $0.68, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the A3 Preferred Shares after the Issue Date and the Issue Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Issue Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of A3 Preferred Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of A3 Preferred Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Issue Price shall continue in effect until the next adjustment (if any) is made;

(y) "**Liquidation Event**" has the meaning given to that term in Subsection 5.5(a);

(z) "**Offered Shares**" has the meaning given to that term in Subsection 5.6(c);

(aa) "**Person**" means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, power of attorney or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted;

(bb) "**Preferred Shares**" means the preferred shares in the capital of the Corporation, issuable by class or series as set out in the Articles of the Corporation and "**Preferred Share**" means any one of them;

(cc) "**Qualified IPO**" means completion of a public offering of Common Shares from treasury at a price per Common Share of not less than the Threshold Price which results in sale proceeds (net of underwriting discounts or commissions and offering expenses) to the Corporation of at least $8,000,000;

(dd) "**Qualified M&A Transaction**" means:

(i) an amalgamation, merger or reorganization of the Corporation;

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation;

which, in each case, results in the A3 Preferred Holder receiving consideration in an amount equal to or greater than the Threshold Price multiplied by the number of A3 Preferred Shares (or Common Shares issued upon the conversion thereof in accordance with Subsection 5.8(a), as applicable) held by such A3 Preferred Holder; provided that for the avoidance of doubt and notwithstanding anything else herein to the contrary, for purposes of the immediately foregoing, an "A3 Preferred Holder" shall be deemed to mean a holder of Common Shares issued upon the conversion of such holder's A3 Preferred Shares upon the occurrence of a Qualified M&A Transaction in accordance with Subsection 5.8.(a);

(ee) "**Retracting Holder**" has the meaning given to that term in Subsection 5.6(d);

(ff) "**Retraction Price**" has the meaning given to that term in Subsection 5.6(a);

(gg) "**Shares**" means shares of any class in the share capital of the Corporation from time to time and "**Share**" means any one of them;

(hh) "**Threshold Price**" means $0.9044, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the Common Shares after the Issue Date and the Threshold Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Threshold Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Threshold Price shall continue in effect until the next adjustment (if any) is made;

(ii) "**Unpaid Dividends**" has the meaning given to that term in Paragraph 5.4(a);

(jj) other terms defined elsewhere in this Article 5 shall have the meanings so ascribed thereto;

(kk) unless otherwise provided, all dollar amounts referred to are in lawful money of Canada; and

(ll) time shall be of the essence.

5.2 **<u>Voting Rights</u>** - Each of the A3 Preferred Holders shall be entitled as such to receive notice of and to attend all meetings of the shareholders of the Corporation (except meetings at which only holders of another class or series of shares of the Corporation are required by law to vote separately as a class or series) and at each such meeting shall have one vote in person or by proxy for each Common Share which the A3 Preferred Holder would be entitled to receive upon full conversion of its A3 Preferred Shares into Common Shares under Section 5.7 as at the record date of the meeting. A3 Preferred Holders and the holders of Common Shares and other Preferred Shares will vote as one class, except as required by law.

5.3 **<u>Dividends</u>** – A3 Preferred Holders shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, in priority to the holders of Common Shares and all other shares ranking junior to the Class A Preferred Shares, fixed preferential non-cumulative dividends of $0.0544 per share *per annum*. If within 4 months after the expiration of any financial year of the Corporation the board of directors in its discretion has not declared the said dividend or any part thereof on the A3 Preferred Shares for the financial year, then the rights of the A3 Preferred Holders to such dividend or to any undeclared part thereof for such financial year shall be forever extinguished. The A3 Preferred Holders shall not be entitled to any dividends other than or in excess of the preferential non-cumulative dividends hereinbefore provided.

5.4 **<u>Dissolution</u>**

(a) In the event of a 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 (whether voluntary or involuntary), other than in connection with a Liquidation Event or a Qualified M&A Transaction (a "**Dissolution Event**"), each A3 Preferred Holder shall be entitled, as such, to promptly receive from the assets and property of the Corporation in respect of each A3 Preferred Share held by such A3 Preferred Holder following payment to any holders of shares ranking senior to the Class A Preferred Shares and on a pari passu basis with all other Class A Preferred Holders but in preference and in priority to the registered holders of any other class of shares of the Corporation which rank junior to the Class A Preferred Shares, including, without limitation, an amount per share determined by the following formula:

Amount payable per A3 Preferred Share on a Dissolution Event	=	Issue Price X (1 + number of completed years since the Issue Date X 0.08)

(b) If upon any such Dissolution Event the assets of the Corporation available for distribution to its shareholders following payment to any holders of shares ranking senior to the Class A Preferred Shares shall be insufficient to pay (i) the A3 Preferred Holders the full amount to which they shall be entitled under Paragraph 5.4(a), and (ii) the other Class A Preferred Holders the full amounts they would be entitled to under the special rights and restrictions attaching to those shares, the Class A Preferred Holders shall share rateably in any distribution of the assets available for distribution to the Class A Preferred Holders in proportion to the respective amounts which would otherwise be payable in respect of the Class A Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(c) The aggregate amount which an A3 Preferred Holder is entitled to receive under this Section 5.4 in respect of each A3 Preferred Share is hereinafter referred to as the "**A3 Liquidation Price**".

5.5 Liquidation Events

(a) Liquidation Events - Any of the following events, provided that such event is not a Qualified M&A Transaction, shall be considered a "**Liquidation Event**":

(i) an amalgamation, merger or reorganization of the Corporation (other than one in which shareholders of the Corporation own a majority by voting power of the outstanding shares of the surviving or acquiring corporation);

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation.

(b) Rights on Liquidation Event - Upon the occurrence of a Liquidation Event, each A3 Preferred Holder shall be entitled, as such, to promptly receive, in exchange for their A3 Preferred Shares, whether in cash, securities or other property, payment of the greater of (i) the Threshold Price for each A3 Preferred Share held; and (ii) the *pro rata* share of the proceeds of the Liquidation Event to which each A3 Preferred Holder would be entitled, if the Corporation were to distribute such proceeds to all Shareholders (on an "as converted to Common Shares" basis), in such preference and priority as would apply as if a Dissolution Event had occurred.

(c) Effecting a Liquidation Event

(i) The Corporation shall not have the power to effect a Liquidation Event unless the agreement, plan of merger or consolidation, plan of arrangement or amalgamation agreement, as applicable, for such Liquidation Event provides that any consideration payable to the shareholders of the Corporation shall be allocated among the shareholders of the Corporation in accordance with Subsection 5.5(b) above.

(ii) In the event of a Liquidation Event referred to in Paragraph 5.5(a)(iii) or (iv), if the Corporation does not distribute the proceeds of such Liquidation Event to the A3 Preferred Holders in accordance with Subsection 5.5(b) above within 30 days after the effective date of such Liquidation Event, then:

(A) the Corporation shall send a written notice to each A3 Preferred Holder no later than 30 days after the effective date of the Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (B) to require the redemption of such A3 Preferred Shares; and

(B) if the A3 Preferred Holders, by A3 Preferred Approval, request in a written instrument delivered to the Corporation not later than 60 days after the effective date of such Liquidation Event (the "**A3 Liquidation Redemption Notice**"),

the Corporation shall use the consideration received by the Corporation for such Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the directors of the Corporation), together with any other assets of the Corporation available for distribution to its shareholders (the "**Available Proceeds**"), to the extent legally available therefor, to redeem all of the outstanding A3 Preferred Shares at a price per A3 Preferred Share equal to the greater of (i) the Threshold Price for each A3 Preferred Share held; and (ii) the *pro rata* share of the proceeds of the Liquidation Event to which each A3 Preferred Holder would be entitled, if the Corporation were to distribute such proceeds to all Shareholders (on an "as converted to Common Shares" basis), as set forth Subsection 5.5(b) above, on the date specified in the A3 Liquidation Redemption Notice.

Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if following payment to any holders of shares ranking senior to the Class A Preferred Shares the Available Proceeds are not sufficient to redeem all outstanding A3 Preferred Shares and any other Class A Preferred Shares entitled to redemption in such circumstances (together, the "**Redeemable Class A Preferred Shares**"), the Corporation shall redeem a pro rata portion of each Class A Preferred Holder's Redeemable Class A Preferred Shares to the fullest extent of any remaining Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the remaining Available Proceeds were sufficient to redeem all such shares, and (iii) redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

(iii) Prior to the distribution or redemption provided for in this Subsection 5.5(c), the Corporation shall not expend or dissipate the Available Proceeds, except to discharge expenses incurred in connection with such Liquidation Event or in the ordinary course of business.

(d) Amount Deemed Paid or Distributed - The amount deemed paid or distributed to the shareholders of the Corporation upon any Liquidation Event shall be the cash or the value of the property, rights or securities paid or distributed to such shareholders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the directors of the Corporation.

(e) Modification and Waiver - Notwithstanding the foregoing, for any proposed Liquidation Event, the notice period, the procedure and the manner of payment in respect of any A3 Preferred Shares may be modified by written agreement between the Corporation and the A3 Preferred Holders by A3 Preferred Approval.

5.6 Retraction Right

(a) Retraction Conditions - Subject to A3 Preferred Approval as contemplated by Subsection 5.6(d), and full payment by the electing A3 Preferred Holders of the independent valuator's applicable invoice(s), each A3 Preferred Holder shall have the right (the "**Retraction Right**") at any time and from time to time after December 31, 2024 to require the Corporation to redeem, subject to the provisions of the Corporate Legislation and approval of the Corporation's Board of Directors, and in accordance with this Section 5.6, all or from time to time any part of the A3 Preferred Holder's A3 Preferred Shares held on the Retraction Dates (as defined below) at a price (the "**Retraction Price**") for each A3 Preferred Share to be redeemed equal to the A3 Liquidation Price plus any increase in value between the original purchase price of the A3 Preferred Share and the Fair Market Value of each A3 Preferred Share when the Retraction Right is exercised. The "**Retraction Dates**" mean, collectively, the Initial Retraction Date (as defined below), and the one-year and two-year anniversary of the Initial Retraction Date (the "**Subsequent Retraction Dates**"). The Corporation shall be required to redeem any A3 Preferred Shares submitted to it pursuant to the exercise of a Retraction Right in accordance with this Section 5.6 in equal amounts on each of the Retraction Dates. A request by the Corporation to the electing A3 Preferred Holders to waive the Retraction Right based on the Corporation's capital plans shall not be unreasonably withheld, conditioned or delayed. In no event shall any shares of the Corporation which rank junior to the A-3 Preferred Shares, including, without limitation, the Common Shares, be redeemed in advance of the A3 Preferred Shares.

(b) Retraction Notice - If an A3 Preferred Holder (the "**Initiator**") chooses to exercise the Retraction Right, then the Initiator shall, at least 90 days before the date specified for retraction, deliver to the Corporation a notice (the "**Retraction Notice**") in writing specifying that the Initiator wishes to exercise the Retraction Right, the number of the Initiator's A3 Preferred Shares to be redeemed and the date chosen by the Initiator upon which the Corporation is to redeem the initial one-third of the Initiator's A3 Preferred Shares (the "**Initial Retraction Date**"). Within seven days of receiving the Retraction Notice, the Corporation shall deliver a written notice (the "**Corporation Notice**") to all other A3 Preferred Holders of the Retraction Notice.

(c) Response to Corporation Notice - Each A3 Preferred Holder who wishes to exercise the Retraction Right shall give written notice to the Corporation within 10 days after receiving the Corporation Notice specifying the number of A3 Preferred Shares it wishes to redeem on the Retraction Date (the "**Offered Shares**").

(d) Redemption of Shares

(i) Subject to Paragraphs 5.6(d)(ii) and 5.6(d)(iii) below, if A3 Preferred Holders by A3 Preferred Approval have notified the Corporation in writing pursuant to Subsections 5.6(b) and 5.6(c) that they wish to exercise their Retraction Right, then on each Retraction Date, the Corporation shall pay, or cause to be paid, to or to the order of each A3 Preferred Holder so requesting redemption the applicable Retraction Price on presentation and surrender to the Corporation of the certificate(s) representing the Offered Shares being redeemed at such Retraction Date.

(ii) If the retraction set out in Paragraph 5.6(d)(i) above does not receive A3 Preferred Approval then the Corporation shall not retract any Offered Shares on the Retraction Date. Upon determining that the A3 Preferred Approval has not been met, the Corporation shall immediately return to the holder the holders' share certificate(s) which were delivered pursuant to Paragraph 5.6(d)(i).

(iii) If the Corporation cannot redeem all of the Offered Shares in accordance with the foregoing provisions of this Section 5.6 without causing a contravention of the Corporate Legislation, then the Corporation shall redeem such portion of the Offered Shares, on a pro rata basis, as can be redeemed without causing such contravention, and the Corporation shall redeem the balance of such Offered Shares, on a pro rata basis, as soon as it is lawfully permitted to do so.

(iv) In all cases the Corporation shall pay for shares redeemed hereunder by cash, certified cheque, bank draft or solicitor's trust cheque.

(e) Certificate for Remaining Shares - If only part of the A3 Preferred Shares represented by any certificate presented are redeemed, then a new certificate for the unredeemed balance of the A3 Preferred Shares represented by such certificate(s) shall promptly be issued and delivered to the registered holder thereof at the expense of the Corporation.

(f) Additional Notice - If the Corporation issues a redemption notice or receives a retraction notice (an "**Additional Notice**") in respect of a request by a holder for the redemption of any share of any series or class of shares of the Corporation having a right of redemption (other than A3 Preferred Shares) then, provided that at the time of the Additional Notice, the A3 Preferred Holders have the right to require the Corporation to redeem all or part of the A3 Preferred Shares pursuant to the provisions of Subsection 5.6(a), the Corporation shall promptly deliver a copy of the Additional Notice to each of the A3 Preferred Holders. Each Person entitled to exercise the Retraction Right under this Section 5.6, and each Class A Preferred Holder holding shares in a series of Class A Preferred Shares which contain retraction rights (which, together with the A3 Preferred Shares are the "**Retractable Class A Preferred Shares**") shall be entitled to require the Corporation to redeem all or part of such Retractable Class A Preferred Shares following the redemption of any shares of any other class of shares of the Corporation ranking senior to the Class A Preferred Shares and in preference and priority to any other class of shares of the Corporation ranking junior to the Class A Preferred Shares, and pro-rata and pari passu with any other series of Class A Preferred Shares of the Corporation, in each case otherwise on the same terms and conditions as set forth in Subsections 5.6(a) and 5.6(c) to 5.6(f) provided that for the purposes of a redemption pursuant to this Subsection 5.6(g), the term "Corporation Notice" shall be taken to mean the term "Additional Notice", as defined above, and the term "Retraction Date" shall be taken to mean the date for redemption applicable for the redemption of the shares covered by the Additional Notice. If the Corporation cannot redeem all of the shares requested to be redeemed on such date for redemption without causing a contravention of the Corporate Legislation, then the Corporation shall, notwithstanding any other provision of these Sections, redeem such portion of the Retractable Class A Preferred Shares as can be redeemed without causing such contravention and the Corporation shall redeem the balance of such Retractable Class A Preferred Shares as soon as it is lawfully permitted to do so, and after all such Retractable Class A Preferred Shares are redeemed in accordance with the foregoing, the Corporation may redeem such other shares of the Corporation having a right of redemption.

(g) Modification - Notwithstanding the foregoing, for any particular redemption, the notice period, the right to receive an Additional Notice, the procedure and the manner of payment for the retraction of any A3 Preferred Shares may be modified by written agreement between the Corporation and the A3 Preferred Holders by A3 Preferred Approval.

(h) Fair Market Value – In the event that an Initiator wishes to exercise its Retraction Rights hereunder, the board of directors of the Corporation shall inform the Initiator what it believes to be, in its good faith judgment, the Fair Market Value, which Fair Market Value shall be the same as the Fair Market Value offered to each other Initiator wishing to exercise its Retraction Rights at or about the same time. The Initiator shall have the right to accept or reject, in its sole discretion, the Fair Market Value determined by the board of directors. In the event that the Initiator does not accept the Fair Market Value determined by the board of directors, the Initiator and the Corporation shall instruct an independent valuator, mutually agreed upon by the Corporation and the A3 Preferred Holders holding two-thirds of the A3 Preferred Shares held by all Initiators requesting retraction (the "**Valuator**"), to determine the Fair Market Value of the A3 Preferred Shares within 30 days following his, her or its appointment. In making its determination as to the Fair Market Value of any A3 Preferred Shares, the Valuator shall not take into account the fact that such A3 Preferred Shares do or do not form part of a "control block". The determination of the Valuator as to the Fair Market Value of the A3 Preferred Shares shall be final and binding upon the Initiator and the Corporation. If the Corporation and the A3 Preferred Holders holding two-thirds of the A3 Preferred Shares held by all Initiators requesting retraction fail to mutually agree on a Valuator on or before the 20th Business Day following written request by the Initiator for a determination of the Fair Market Value of the A3 Preferred Shares, then the Initiator and the Corporation shall each appoint one arbitrator within five (5) days thereafter. The two arbitrators shall then promptly meet and decide upon the appointment of a Valuator and the decision of the arbitrators shall be final and binding upon the parties. The Valuator shall have access to the books, accounts, records, vouchers, cheques, papers and documents of, or which may relate to, the Corporation. The Corporation shall cooperate with the Valuator and shall provide all information and documents reasonably requested by the Valuator. All reasonable fees and disbursements charged by the Valuator shall be paid by the Initiator.

5.7 **<u>Conversion at the Holder's Option</u>** - Each of the A3 Preferred Holders shall have the right (the "Conversion Right") at any time, or from time to time, to convert all or any part of its A3 Preferred Shares into fully paid Common Shares on the following basis:

(a) <u>Conversion Notice</u> - An A3 Preferred Holder may exercise an A3 Preferred Holder's Conversion Right by notice (the "**Conversion Notice**") in writing delivered to the Corporation. The Conversion Notice shall (i) specify the number of A3 Preferred Shares (the "**Specified Shares**") the A3 Preferred Holder delivering the Conversion Notice wishes to be converted, (ii) be signed by the A3 Preferred Holder and (iii) be accompanied by the certificate or certificates representing the A3 Preferred Shares to be so converted.

(b) <u>Conversion Procedure</u> - Effective as of the date of receipt by the Corporation of a duly signed Conversion Notice and accompanying share certificate or certificates, the Corporation shall issue and promptly deliver to the A3 Preferred Holder tendering the Conversion Notice a certificate representing that number of fully paid and non-assessable Common Shares which is equal to the number of Specified Shares multiplied by the Conversion Ratio then in effect. If less than all the A3 Preferred Shares represented by any certificate are converted, the Corporation shall at its expense promptly issue and promptly deliver a new share certificate to the holder thereof for the balance of the A3 Preferred Shares not converted.

5.8 **<u>Automatic Conversion</u>**

(a) <u>Conversion Events</u> - All of the issued and outstanding A3 Preferred Shares shall immediately and automatically be converted into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect on the earlier of:

(i) the closing of a Qualified IPO; and

(ii) the closing of a Qualified M&A Transaction;

(iii) the date that is 30 days following the receipt by the Corporation of the written consent of holders of a majority of the A3 Preferred Shares to the conversion of the A3 Preferred Shares into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect (an "**Elected Conversion**"), (each an "**Automatic Conversion Event**").

(b) Advance Surrender - At least 21 days before closing of an Automatic Conversion Event the Corporation shall give written notice of the intended closing or conversion to all A3 Preferred Holders and such holders shall deliver, in trust, the certificates representing their A3 Preferred Shares to the Corporation, or to a trust company designated in the notice, at least 10 days prior to the estimated offering date or sale date. If the closing of the Qualified IPO does not occur within 60 days of the notice, the Qualified IPO shall be deemed not to have occurred and any certificate(s) that have been so surrendered shall be returned by the Corporation to the respective A3 Preferred Holder.

(c) Conversion Procedure - On an Automatic Conversion Event, the Corporation shall promptly issue and promptly deliver to each A3 Preferred Holder (other than Conversion Delinquent Holders (as defined below)) certificates representing fully paid and non-assessable Common Shares for the number of shares equal to the number of A3 Preferred Shares held by the A3 Preferred Holder multiplied by the Conversion Ratio then in effect, and shall cancel all share certificates representing A3 Preferred Shares.

(d) Conversion Delinquent Holders If any of the A3 Preferred Holders (the "**Conversion Delinquent Holders**") do not deliver their certificates representing A3 Preferred Shares to the Corporation in accordance with Subsection 5.8(b), the Corporation shall have the right to issue certificates representing that number of fully paid and non-assessable Common Shares equal to the number of A3 Preferred Shares held by the Conversion Delinquent Holder multiplied by the Conversion Ratio then in effect (the "**Conversion Shares**") and:

(i) in the case of a Qualified IPO the share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will deliver the certificates representing the Conversion Shares to the Corporation's transfer agent (the "**Transfer Agent**") who will hold such share certificates and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A3 Preferred Shares;

(ii) in the case of a Qualified M&A Transaction, the purchaser of the Common Shares pursuant to the Qualified M&A Transaction (the "**Purchaser**") shall have the right to deposit the applicable purchase price for the Conversion Shares in a special account at any financial institution in Canada, to be paid proportionately with interest, to each respective Conversion Delinquent Holder upon presentation and surrender to such financial institution of the certificates or documents representing such holder's A3 Preferred Shares and an instrument of transfer which transfers the such holder's Conversion Shares to the Purchaser. Upon the deposit of such purchase price being made, the Corporation shall issue the share certificate for the Conversion Shares in respect of which the deposit was made in the name of the Purchaser and shall deliver such share certificates to the Purchaser and such Conversion Shares shall hereby automatically (without any further action of any kind on the part of the Conversion Delinquent Holders or the Purchaser) be transferred to and purchased by the Purchaser and shall be transferred on the books of the Corporation to the Purchaser and the rights of the Conversion Delinquent Holders in respect of those Conversion Shares after such deposit shall hereby be limited to receiving, with interest, their respective portion of the total amount so deposited against presentation and surrender of the certificates or documents representing their respective A3 Preferred Shares and an instrument of transfer which transfers the Conversion Shares to the Purchaser;

(iii) in the case of an Elected Conversion, share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will retain the share certificate in its minute book and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A3 Preferred Shares

(iv) all share certificates of such Conversion Delinquent Holder representing A3 Preferred Shares will be deemed to be cancelled and of no further force and effect.

5.9 **<u>Conversion Price Adjustments for Dilutive Share Issues</u>**- If at any time after the Issue Date, the Corporation issues (other than under Excluded Issuances):

(a) any Common Shares;

(b) securities to purchase or acquire Common Shares;

(c) securities convertible, exercisable into or exchangeable for Common Shares; or

(d) securities which, upon a Dissolution Event, participate in the distribution of the remaining property of the Corporation on the same basis as a Common Share;

(any of which are a "**Dilutive Issue**")

at or with an issue, exercise, conversion or exchange price per Common Share (as the case may be) which is less than the Conversion Price, then at any such time, the Conversion Price shall be adjusted to be the amount calculated by the following formula:

New Conversion Price = $\underline{\quad PN + pn \quad}$

$$\overline{\qquad N + n \qquad}$$

where: P the Conversion Price in effect immediately prior to the Dilutive Issue

N the number of Common Shares of the Corporation, calculated on a Fully Diluted Basis, immediately prior to the Dilutive Issue

p the issue, exercise, conversion or exchange price (as the case may be) of the Dilutive Issue

n the number of additional Common Shares of the Corporation issued or issuable under the Dilutive Issue calculated on a Fully Diluted Basis

5.10 **Conversion Price Adjustments for Capital Alterations** - If at any time after the Issue Date, the Corporation subdivides, consolidates or pays a stock dividend on any of its Common Shares, the Conversion Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Conversion Price in effect immediately prior to such event by a fraction:

(a) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(b) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event.

If at any time and from time to time after the Issue Date, the Common Shares are changed into a different class or classes of shares, whether by reclassification, recapitalization, reorganization, arrangement, amalgamation or merger, then each A3 Preferred Holder shall have the right thereafter to convert his A3 Preferred Shares into the kind and amount of shares and other securities and property receivable upon such change by holders of the number of Common Shares into which the A3 Preferred Shares could have been converted immediately prior to such change.

5.11 **Certificate of Conversion Adjustment** - Adjustments made under Sections 5.9 and 5.10 shall be successive and each resulting new Conversion Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Adjustments made under Subsections 5.1(x) and 5.1(hh) shall be successive and each resulting new Issue Price, Threshold Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Upon the occurrence of each such adjustment, the Corporation shall compute the adjustment in accordance with the terms thereof and promptly furnish to each A3 Preferred Holder a certificate setting forth:

(a) the adjustment calculations in detail;

(b) the facts upon which the adjustment and calculations are based;

(c) the resulting new Threshold Price, Conversion Price or Issue Price and Conversion Ratio; and

(d) if applicable, the number and kind of other securities or property which would be received (pursuant to the second paragraph of Section 5.10) by A3 Preferred Holders upon conversion of each A3 Preferred Shares under this Article 5.

Upon written request from time to time of any A3 Preferred Holder, the Corporation shall promptly furnish to such holder a like certificate.

5.12 **<u>Resolution of Calculation and Adjustment Questions</u>** - If at any time a question arises with respect to adjustments or calculations made under this Article 5, such questions shall be determined by the accountants or the auditors of the Corporation, or, if requested in writing by an A3 Preferred Holder or group of A3 Preferred Holders holding at least 10% of the A3 Preferred Shares issued and outstanding, by a single arbitrator pursuant to the *Arbitration Act 1991* (Ontario), and the determination of such arbitrator shall be binding upon the Corporation and all A3 Preferred Holders and all other shareholders of the Corporation.

5.13 **<u>No Fractional Shares</u>** - Notwithstanding any other provision hereof, no fractional shares shall be issued upon any conversion of A3 Preferred Shares and the number of Common Shares to be issued shall be rounded down to the nearest whole share.

5.14 **<u>Reservation of Shares Issuable Upon Conversion</u>** - The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Shares a sufficient number of Common Shares to effect the conversion of all outstanding A3 Preferred Shares and take any corporate action which may, in the opinion of its legal counsel, be necessary in order to enable and effect the full conversion thereof in accordance with the provisions hereof.

5.15 **<u>Restrictive Covenants</u>** - After the Issue Date, the Corporation shall not, without A3 Preferred Approval:

(a) amend or vary the rights, privileges, restrictions and conditions attached to the A3 Preferred Shares or to the Class A Preferred Shares, as a class;

(b) create or issue any class or series of shares ranking in any way senior to or pari passu with the A3 Preferred Shares or with the Class A Preferred Shares, as a class, or amend any existing class or series of shares to rank in any way senior to or pari passu with the A3 Preferred Shares or with the Class A Preferred Shares, as a class; or

(c) increase or decrease the authorized number or capital of the Class A Preferred Shares, subdivide or consolidate the issued Class A Preferred Shares, or issue any additional Class A Preferred Shares (including any series thereof) or A3 Preferred Shares.

The foregoing approval requirements are in addition to any other requirements of the Corporate Legislation.

5.16 **<u>No Impairment</u>** - The Corporation will not, by amendment of its Articles or By-Laws or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the material terms to be observed or performed under this Article 5 by the Corporation, but will at all times in good faith assist in the carrying out of all of the provisions of this Article 5 and in the taking of all action as may be necessary or appropriate in order to protect the rights of the A3 Preferred Holders against impairment.

5.17 **Conflicting Rights** - In the event of any conflict between (i) the provisions of Article 2 pertaining to the Class A Preferred Shares as a class, Article 5 pertaining to the A3 Preferred Shares and the other Articles, if any, pertaining to the other series of Class A Preferred Shares (together the "**Preferred Articles**") and (ii) any other provision of the Corporation's Articles (including the rights, privileges, restrictions and conditions attached to any other class of shares in the share capital of the Corporation), the provisions set forth in the Preferred Articles shall prevail to the extent of such conflict.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2016/08/19

(Year, Month, Day)
(année, mois, jour)

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

NEWTOPIA INC.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrir le nom de la société de l'article un à la page une).

By/
Par :

"Jeffrey Ruby"

(Signature)
(Signature)

Jeffrey Ruby, President & CEO

(Description of Office)
(Fonction)

For Ministry Use Only
À l'usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario

2172351

Ministry of Government Services
Ministère des Services gouvernementaux
Ontario

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

APRIL 07 AVRIL, 2016

Director / Directeur
Business Corporations Act / Loi sur les sociétés par actions

17

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

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

NEWTOPIA INC.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2008 MAY 09

(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are:
Nombre d'administrateurs :

minimum and maximum number of directors is/are:
nombres minimum et maximum d'administrateurs :

Number
Nombre

or
ou

minimum and maximum
minimum et maximum

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

The articles of the corporation are amended as follows:

The rights, privileges, restrictions and conditions attaching to the Class A Series A2 Preferred Shares in the articles of amendment of the Corporation dated December 15, 2015 be amended to expand the definition of "Excluded Issuance" in section 4.1(r) by adding the following paragraph as item (ix):

"(ix) a bona fide acquisition by the Corporation, whether by merger, consolidation, sale of assets, sale or exchange of shares or otherwise; "

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2016 APRIL 4

(Year, Month, Day)
(année, mois, jour)

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

NEWTOPIA INC.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrir le nom de la société de l'article un à la page une).

By/
Par "*Jeffrey Ruby*" Jeffrey Ruby, President & CEO

(Signature) (Description of Office)
(Signature) (Fonction)

For Ministry Use Only
À l'usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario

2172351

Ministry of Government Services
Ontario
Ministère des Services gouvernementaux

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

DECEMBER 1 5 DÉCEMBRE, 2015

Director / Directeur
Business Corporations Act / Loi sur les sociétés par actions

17

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

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

NEWTOPIA INC.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2008, May, 9

(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are:
Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number / Nombre — or / ou — minimum and maximum / minimum et maximum

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

Please see attached Schedule A.

SCHEDULE A

The articles of the Corporation are amended to create a new class of Series 2 Class A preferred shares.

The second series of Class A Preferred shares of the Corporation shall consist of an unlimited number of shares designated as "**A2 Preferred Shares**". The rights, privileges, restrictions and conditions attaching to the A2 Preferred Shares, as a series, are as follows:

4.1 **Interpretation** - In this Article 4:

(a) "**A2 Liquidation Price**" has the meaning given to that term in Subsection 4.4(c);

(b) "**A2 Preferred Approval**", in respect of a matter, means that A2 Preferred Holders holding at least two thirds of the A2 Preferred Shares issued and outstanding at the time have approved of the matter by:

(i) an instrument in writing which describes the matter approved and refers to the Section hereunder which requires the approval, or

(ii) a meeting at which the A2 Preferred Holders vote together as a separate group;

(c) "**A2 Preferred Holders**" means the registered holders of the A2 Preferred Shares and a "**A2 Preferred Holder**" means any one of them;

(d) "**Affiliate**" means with respect to any Person:

(i) any corporation which is directly or indirectly Controlled by that Person;

(ii) if a corporation, any corporation which Controls that Person, and any corporation which is directly or indirectly Controlled by a corporation which Controls that corporate Person; and

(iii) if a partnership or limited partnership, any partner who has the right to exercise a majority of the voting rights attached to the outstanding partnership units, and in the case of a limited partnership, any general partner thereof, or any corporation which Controls that partner and any corporation which is directly or indirectly Controlled by a corporation that Controls that partner;

(e) "**Associate**" has the same meaning as has been designated to that term in the Corporate Legislation;

(f) "**Automatic Conversion Event**" has the meaning given to that term in Subsection 4.8(a);

(g) "**Business Day**" means any day except a Saturday, Sunday or legal holiday for Canadian chartered banks in Toronto, Ontario, Canada;

(h) **"Class A Preferred Holders"** means the registered holders of the Class A Preferred Shares and a **"Class A Preferred Holder"** means any one of them;

(i) **"Class A Preferred Shares"** means the Class A Preferred shares in the capital of the Corporation, issuable in series, and **"Class A Preferred Share"** means any one of them;

(j) **"Common Shares"** means the common shares in the capital of the Corporation and **"Common Share"** means any one of them;

(k) **"Control"**, **"Controlled"** or **"Controls"** means, in relation to any non-corporate entity or undertaking, the right to directly or indirectly conduct the affairs of the entity or undertaking and, in relation to a corporation:

(i) the right to cast a majority of the votes which may be cast at a general meeting of that corporation; or

(ii) the right to elect or appoint, directly or indirectly, a majority of the directors of that corporation;

(l) **"Conversion Price"** means $0.68, subject to adjustment from time to time under Sections 4.9 and 4.10, and any adjustments made under those Sections shall be successive and each resulting new Conversion Price shall continue in effect until the next adjustment (if any) is made thereunder;

(m) **"Conversion Ratio"**, at any particular time, means the Conversion Ratio determined at that time by the following formula:

$$\text{Conversion Ratio} = \frac{\text{Issue Price}}{\text{Conversion Price}}$$

being the ratio at which A2 Preferred Shares may be converted into Common Shares under this Article 4;

(n) **"Corporate Legislation"** means the *Business Corporations Act* (Ontario);

(o) **"Corporation Notice"** has the meaning given to that term in Section 4.6(b);

(p) **"Dissolution Event"** has the meaning given to that term in Subsection 4.4(a);

(q) **"Equity Securities"** means:

(i) shares or any other security of the Corporation that carries the residual right to participate in the earnings of the Corporation and, on liquidation, dissolution or winding-up, in the assets of the Corporation, whether or not the security carries voting rights;

(ii) any warrants, options or rights entitling the holders thereof to purchase or acquire any such securities; or

(iii) any securities issued by the Corporation which are convertible or exchangeable into such securities;

(r) **"Excluded Issuances"** means any securities of the Corporation issued pursuant to:

(i) a duly approved stock dividend or share subdivision;

(ii) the conversion rights of the Preferred Shares;

(iii) the options, warrants, convertible debentures and other rights to purchase or acquire Common Shares which were outstanding on the Issue Date and disclosed in writing by the Corporation to the A2 Preferred Holders before the Issue Date (a copy of such written disclosure is located at the records office of the Corporation);

(iv) any incentive compensation plan or employee share option plan adopted by the Corporation that has received the approval of the board of directors of the Corporation;

(v) securities issuable to lenders of the Corporation as consideration to such lenders for entering into lending agreements with the Corporation;

(vi) securities issued to strategic partners of the Corporation;

(vii) an offering of securities by the Corporation through which A2 Preferred Holders purchase not less than 25% of the securities offered thereby; or

(viii) an issuance which has been designated an "Excluded Issuance" by A2 Preferred Approval;

(s) **"Exercise Deadline"** has the meaning given to that term in Subsection 4.5(a);

(t) **"Fully Diluted Basis"** at any time means that all options (whether vested or unvested), warrants or other rights of any kind to acquire Common Shares and all securities of the Corporation which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into securities which are themselves convertible into Common Shares) which are outstanding at that time shall be deemed to have been fully exercised, converted or exchanged, as the case may be, and the Common Shares issuable as a result thereof shall be deemed to have been fully issued and to form part of the holdings of the Person(s) entitled to receive such Common Shares;

(u) **"Fully Diluted Common Shares"** means all the Common Shares which would be outstanding if all securities of the Corporation which are outstanding at that time and which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into shares which are themselves convertible into Common Shares) at that time were fully exercised, converted or exchanged, as the case may be, into Common Shares;

(v) **"Issue Date"** means the first date upon which A2 Preferred Shares are issued;

(w) **"Issue Price"** means \$0.68, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the A2 Preferred Shares after the Issue Date and the Issue Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Issue Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of A2 Preferred Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of A2 Preferred Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Issue Price shall continue in effect until the next adjustment (if any) is made;

(x) **"Liquidation Event"** has the meaning given to that term in Subsection 4.5(a);

(y) **"Liquidation Price"** means the value that a shareholder of the Corporation would receive per Share for the relevant type of Share if a Dissolution Event had occurred, in such preference and priority as would apply as if a Dissolution Event had occurred;

(z) **"Offered Shares"** has the meaning given to that term in Subsection 4.6(c);

(aa) **"Person"** means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, power of attorney or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted;

(bb) **"Preferred Shares"** means the preferred shares in the capital of the Corporation, issuable by class or series as set out in the Articles of the Corporation and **"Preferred Share"** means any one of them;

(cc) **"Qualified IPO"** means completion of a public offering of Common Shares from treasury at a price per Common Share of not less than the Threshold Price which results in sale proceeds (net of underwriting discounts or commissions and offering expenses) to the Corporation of at least \$8,000,000;

(dd) **"Qualified M&A Transaction"** means:

(i) an amalgamation, merger or reorganization of the Corporation;

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation;

which, in each case, results in the each A2 Preferred Holder receiving consideration in an amount equal to or greater than the Threshold Price multiplied by the number of A2 Preferred Shares held by such A2 Holder;

(ee) "**Retracting Holder**" has the meaning given to that term in Subsection 4.6(d);

(ff) "**Retraction Price**" has the meaning given to that term in Subsection 4.6(a);

(gg) "**Shares**" means shares of any class in the share capital of the Corporation from time to time and "**Share**" means any one of them;

(hh) "**Threshold Price**" means $0.90, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the Common Shares after the Issue Date and the Threshold Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Threshold Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Threshold Price shall continue in effect until the next adjustment (if any) is made;

(ii) "**Unpaid Dividends**" has the meaning given to that term in Paragraph 4.4(a);

(jj) other terms defined elsewhere in this Article 4 shall have the meanings so ascribed thereto;

(kk) unless otherwise provided, all dollar amounts referred to are in lawful money of Canada; and

(ll) time shall be of the essence.

4.2 <u>**Voting Rights**</u> - Each of the A2 Preferred Holders shall be entitled as such to receive notice of and to attend all meetings of the shareholders of the Corporation (except meetings at which only holders of another class or series of shares of the Corporation are required by law to vote separately as a class or series) and at each such meeting shall have one vote in person or by proxy for each Common Share which the A2 Preferred Holder would be entitled to receive upon full conversion of its A2 Preferred Shares into Common Shares under Section 4.7 as at the record date of the meeting. A2 Preferred Holders and the holders of Common Shares and other Preferred Shares will vote as one class, except as required by law.

4.3 **Dividends** – A2 Preferred Holders shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, in priority to the holders of Common Shares and all other shares ranking junior to the Class A Preferred Shares, fixed preferential non-cumulative dividends of $0.05 per share *per annum*. If within 4 months after the expiration of any financial year of the Corporation the board of directors in its discretion has not declared the said dividend or any part thereof on the A2 Preferred Shares for the financial year, then the rights of the A2 Preferred Holders to such dividend or to any undeclared part thereof for such financial year shall be forever extinguished. The A2 Preferred Holders shall not be entitled to any dividends other than or in excess of the preferential non-cumulative dividends hereinbefore provided.

4.4 **Dissolution**

(a) In the event of a 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 (whether voluntary or involuntary) (a **"Dissolution Event"**), each A2 Preferred Holder shall be entitled, as such, to promptly receive from the assets and property of the Corporation in respect of each A2 Preferred Share held by such A2 Preferred Holder following payment to any holders of shares ranking senior to the Class A Preferred Shares and on a pari passu basis with all other Class A Preferred Holders but in preference and in priority to the registered holders of any other class of shares of the Corporation which rank junior to the Class A Preferred Shares, including, without limitation, the Common Shares, an amount per share determined by the following formula:

Amount payable per A2 Preferred Share on a Dissolution Event = Issue Price X (1 + number of completed years since the Issue Date X 0.08)

and

(b) If upon any such Dissolution Event the assets of the Corporation available for distribution to its shareholders following payment to any holders of shares ranking senior to the Class A Preferred Shares shall be insufficient to pay (i) the A2 Preferred Holders the full amount to which they shall be entitled under Paragraph 4.4(a), and (ii) the other Class A Preferred Holders the full amounts they would be entitled to under the special rights and restrictions attaching to those shares, the Class A Preferred Holders shall share rateably in any distribution of the assets available for distribution to the Class A Preferred Holders in proportion to the respective amounts which would otherwise be payable in respect of the

Class A Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(c) The aggregate amount which an A2 Preferred Holder is entitled to receive under this Section 4.4 in respect of each A2 Preferred Share is hereinafter referred to as the "**A2 Liquidation Price**".

4.5 Liquidation Events

(a) Liquidation Events - Any of the following events, provided that such event is not a Qualified M&A Transaction, shall be considered a "**Liquidation Event**":

(i) an amalgamation, merger or reorganization of the Corporation (other than one in which shareholders of the Corporation own a majority by voting power of the outstanding shares of the surviving or acquiring corporation);

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation.

(b) Rights on Liquidation Event - Upon the occurrence of a Liquidation Event each A2 Preferred Holder shall be entitled, as such, to promptly receive, in exchange for their A2 Preferred Shares, whether in cash, securities or other property, payment of the Threshold Price for each A2 Preferred Share in such preference and priority as would apply as if a Dissolution Event had occurred.

(c) Effecting a Liquidation Event

(i) The Corporation shall not have the power to effect a Liquidation Event unless the agreement, plan of merger or consolidation, plan of arrangement or amalgamation agreement, as applicable, for such Liquidation Event provides that any consideration payable to the shareholders of the Corporation shall be allocated among the shareholders of the Corporation in accordance with Subsection 4.5(b) above.

(ii) In the event of a Liquidation Event referred to in Paragraph 4.5(a)(iii) or (iv), if the Corporation does not distribute the proceeds of such Liquidation Event to the A2 Preferred Holders in accordance with Subsection 4.5(b) above within 30 days after the effective date of such Liquidation Event, then:

(A) the Corporation shall send a written notice to each A2 Preferred Holder no later than 30 days after the effective date of the Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (B) to require the redemption of such A2 Preferred Shares; and

(B) if the A2 Preferred Holders, by A2 Preferred Approval, request in a written instrument delivered to the Corporation not later than 60 days after the effective date of such Liquidation Event (the "**A2 Liquidation Redemption Notice**"),

the Corporation shall use the consideration received by the Corporation for such Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the directors of the Corporation), together with any other assets of the Corporation available for distribution to its shareholders (the "**Available Proceeds**"), to the extent legally available therefor, to redeem all of the outstanding A2 Preferred Shares at a price per A2 Preferred Share equal to the Threshold Price on the date specified in the A2 Liquidation Redemption Notice.

Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if following payment to any holders of shares ranking senior to the Class A Preferred Shares the Available Proceeds are not sufficient to redeem all outstanding A2 Preferred Shares and any other Class A Preferred Shares entitled to redemption in such circumstances (together, the "**Redeemable Class A Preferred Shares**"), the Corporation shall redeem a pro rata portion of each Class A Preferred Holder's Redeemable Class A Preferred Shares to the fullest extent of any remaining Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the remaining Available Proceeds were sufficient to redeem all such shares, and (iii) redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

(iii) Prior to the distribution or redemption provided for in this Subsection 4.5(c), the Corporation shall not expend or dissipate the Available Proceeds, except to discharge expenses incurred in connection with such Liquidation Event or in the ordinary course of business.

(d) Amount Deemed Paid or Distributed - The amount deemed paid or distributed to the shareholders of the Corporation upon any Liquidation Event shall be the cash or the value of the property, rights or securities paid or distributed to such shareholders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the directors of the Corporation.

(e) Modification and Waiver - Notwithstanding the foregoing, for any proposed Liquidation Event, the notice period, the procedure and the manner of payment in respect of any A2

Preferred Shares may be modified by written agreement between the Corporation and the A2 Preferred Holders by A2 Preferred Approval.

4.6 Retraction Right

(a) Retraction Conditions - Subject to A2 Preferred Approval as contemplated by Subsection 4.6(d), each A2 Preferred Holder shall have the right (the "**Retraction Right**") at any time and from time to time after December 14, 2022 to require the Corporation to redeem, subject to the provisions of the Corporate Legislation and in accordance with this Section 4.6, all or from time to time any part of the A2 Preferred Holder's A2 Preferred Shares held on the Retraction Dates (as defined below) at a price (the "**Retraction Price**") for each A2 Preferred Share to be redeemed equal to the A2 Liquidation Price. The "**Retraction Dates**" mean, collectively, the Initial Retraction Date (as defined below), and the one-year and two-year anniversary of the Initial Retraction Date (the "**Subsequent Retraction Dates**"). The Corporation shall be required to redeem any A2 Preferred Shares submitted to it pursuant to the exercise of a Retraction Right in accordance with this Section 4.6 in equal amounts on each of the Retraction Dates.

(b) Retraction Notice - If an A2 Preferred Holder (the "**Initiator**") chooses to exercise the Retraction Right, then the Initiator shall, at least 90 days before the date specified for retraction, deliver to the Corporation a notice (the "**Retraction Notice**") in writing specifying that the Initiator wishes to exercise the Retraction Right, the number of the Initiator's A2 Preferred Shares to be redeemed and the date chosen by the Initiator upon which the Corporation is to redeem the initial one-third of the Initiator's A2 Preferred Shares (the "**Initial Retraction Date**"). Within seven days of receiving the Retraction Notice, the Corporation shall deliver a written notice (the "**Corporation Notice**") to all other A2 Preferred Holders of the Retraction Notice.

(c) Response to Corporation Notice - Each A2 Preferred Holder who wishes to exercise the Retraction Right shall give written notice to the Corporation within 10 days after receiving the Corporation Notice specifying the number of A2 Preferred Shares it wishes to redeem on the Retraction Date (the "**Offered Shares**").

(d) Redemption of Shares

(i) Subject to Paragraphs 4.6(d)(ii) and 4.6(d)(iii) below, if A2 Preferred Holders by A2 Preferred Approval have notified the Corporation in writing pursuant to Subsections 4.6(b) and 4.6(c) that they wish to exercise their Retraction Right, then on each Retraction Date, the Corporation shall pay, or cause to be paid, to or to the order of each A2 Preferred Holder so requesting redemption the applicable Retraction Price on presentation and surrender to the Corporation of the certificate(s) representing the Offered Shares being redeemed at such Retraction Date.

(ii) If the retraction set out in Paragraph 4.6(d)(i) above does not receive A2 Preferred Approval then the Corporation shall not retract any Offered Shares on the Retraction Date. Upon determining that the A2 Preferred Approval has not been met, the Corporation shall immediately return to the holder the holders' share certificate(s) which were delivered pursuant to Paragraph 4.6(d)(i).

(iii) If the Corporation cannot redeem all of the Offered Shares in accordance with the foregoing provisions of this Section 4.6 without causing a contravention of the Corporate Legislation, then the Corporation shall redeem such portion of the Offered Shares, on a pro rata basis, as can be redeemed without causing such contravention, and the Corporation shall redeem the balance of such Offered Shares, on a pro rata basis, as soon as it is lawfully permitted to do so.

(iv) In all cases the Corporation shall pay for shares redeemed hereunder by cash, certified cheque, bank draft or solicitor's trust cheque.

(e) Certificate for Remaining Shares - If only part of the A2 Preferred Shares represented by any certificate presented are redeemed, then a new certificate for the unredeemed balance of the A2 Preferred Shares represented by such certificate(s) shall promptly be issued and delivered to the registered holder thereof at the expense of the Corporation.

(f) Additional Notice - If the Corporation issues a redemption notice or receives a retraction notice (an "**Additional Notice**") in respect of a request by a holder for the redemption of any share of any series or class of shares of the Corporation having a right of redemption (other than A2 Preferred Shares) then, provided that at the time of the Additional Notice, the A2 Preferred Holders have the right to require the Corporation to redeem all or part of the A2 Preferred Shares pursuant to the provisions of Subsection 4.6(a), the Corporation shall promptly deliver a copy of the Additional Notice to each of the A2 Preferred Holders. Each Person entitled to exercise the Retraction Right under this Section 4.6, and each Class A Preferred Holder holding shares in a series of Class A Preferred Shares which contain retraction rights (which, together with the A2 Preferred Shares are the "**Retractable Class A Preferred Shares**") shall be entitled to require the Corporation to redeem all or part of such Retractable Class A Preferred Shares following the redemption of any shares of any other class of shares of the Corporation ranking senior to the Class A Preferred Shares and in preference and priority to any other class of shares of the Corporation ranking junior to the Class A Preferred Shares, on the same terms and conditions as set forth in Subsections 4.6(a) and 4.6(c) to 4.6(f) provided that for the purposes of a redemption pursuant to this Subsection 4.6(g), the term "Corporation Notice" shall be taken to mean the term "Additional Notice", as defined above, and the term "Retraction Date" shall be taken to mean the date for redemption applicable for the redemption of the shares covered by the Additional Notice. If the Corporation cannot redeem all of the shares requested to be redeemed on such date for redemption without causing a contravention of the Corporate Legislation, then the Corporation shall, notwithstanding any other provision of these Sections, redeem such portion of the Retractable Class A Preferred Shares as can be redeemed without causing such contravention and the Corporation shall redeem the balance of such Retractable Class A Preferred Shares as soon as it is lawfully permitted to do so, and after all such Retractable Class A Preferred Shares are redeemed in accordance with the foregoing, the Corporation may redeem such other shares of the Corporation having a right of redemption.

(g) Modification - Notwithstanding the foregoing, for any particular redemption, the notice period, the right to receive an Additional Notice, the procedure and the manner of payment for the retraction of any A2 Preferred Shares may be modified by written agreement between the Corporation and the A2 Preferred Holders by A2 Preferred Approval.

4.7 **Conversion at the Holder's Option** - Each of the A2 Preferred Holders shall have the right (the "Conversion Right") at any time, or from time to time, to convert all or any part of its A2 Preferred Shares into fully paid Common Shares on the following basis:

(a) Conversion Notice - An A2 Preferred Holder may exercise an A2 Preferred Holder's Conversion Right by notice (the "**Conversion Notice**") in writing delivered to the Corporation. The Conversion Notice shall (i) specify the number of A2 Preferred Shares (the "**Specified Shares**") the A2 Preferred Holder delivering the Conversion Notice wishes to be converted, (ii) be signed by the A2 Preferred Holder and (iii) be accompanied by the certificate or certificates representing the A2 Preferred Shares to be so converted.

(b) Conversion Procedure - Effective as of the date of receipt by the Corporation of a duly signed Conversion Notice and accompanying share certificate or certificates, the Corporation shall issue and promptly deliver to the A2 Preferred Holder tendering the Conversion Notice a certificate representing that number of fully paid and non-assessable Common Shares which is equal to the number of Specified Shares multiplied by the Conversion Ratio then in effect. If less than all the A2 Preferred Shares represented by any certificate are converted, the Corporation shall at its expense promptly issue and promptly deliver a new share certificate to the holder thereof for the balance of the A2 Preferred Shares not converted.

4.8 **Automatic Conversion**

(a) Conversion Events - All of the issued and outstanding A2 Preferred Shares shall immediately and automatically be converted into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect on the earlier of:

(i) the closing of a Qualified IPO; and

(ii) the closing of a Qualified M&A Transaction;

(iii) the date that is 30 days following the receipt by the Corporation of the written consent of holders of a majority of the A2 Preferred Shares to the conversion of the A2 Preferred Shares into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect (an "**Elected Conversion**"), (each an "**Automatic Conversion Event**").

(b) Advance Surrender - At least 21 days before closing of an Automatic Conversion Event the Corporation shall give written notice of the intended closing or conversion to all A2 Preferred Holders and such holders shall deliver, in trust, the certificates representing their A2 Preferred Shares to the Corporation, or to a trust company designated in the notice, at least 10 days prior to the estimated offering date or sale date. If the closing of the Qualified IPO does not occur within 60 days of the notice, the Qualified IPO shall be deemed not to have occurred and any certificate(s) that have been so surrendered shall be returned by the Corporation to the respective A2 Preferred Holder.

(c) Conversion Procedure - On an Automatic Conversion Event, the Corporation shall promptly issue and promptly deliver to each A2 Preferred Holder (other than Conversion Delinquent Holders (as defined below)) certificates representing fully paid and non-assessable Common Shares for the number of shares equal to the number of A2 Preferred Shares held by the A2 Preferred Holder multiplied by the Conversion Ratio then in effect, and shall cancel all share certificates representing A2 Preferred Shares.

(d) Conversion Delinquent Holders If any of the A2 Preferred Holders (the "**Conversion Delinquent Holders**") do not deliver their certificates representing A2 Preferred Shares to the Corporation in accordance with Subsection 4.8(b), the Corporation shall have the right to issue certificates representing that number of fully paid and non-assessable Common Shares equal to the number of A2 Preferred Shares held by the Conversion Delinquent Holder multiplied by the Conversion Ratio then in effect (the "**Conversion Shares**") and:

(i) in the case of a Qualified IPO the share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will deliver the certificates representing the Conversion Shares to the Corporation's transfer agent (the "**Transfer Agent**") who will hold such share certificates and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A2 Preferred Shares;

(ii) in the case of a Qualified M&A Transaction, the purchaser of the Common Shares pursuant to the Qualified M&A Transaction (the "**Purchaser**") shall have the right to deposit the applicable purchase price for the Conversion Shares in a special account at any financial institution in Canada, to be paid proportionately with interest, to each respective Conversion Delinquent Holder upon presentation and surrender to such financial institution of the certificates or documents representing such holder's A2 Preferred Shares and an instrument of transfer which transfers the such holder's Conversion Shares to the Purchaser. Upon the deposit of such purchase price being made, the Corporation shall issue the share certificate for the Conversion Shares in respect of which the deposit was made in the name of the Purchaser and shall deliver such share certificates to the Purchaser and such Conversion Shares shall hereby automatically (without any further action of any kind on the part of the Conversion Delinquent Holders or the Purchaser) be transferred to and purchased by the Purchaser and shall be transferred on the books of the Corporation to the Purchaser and the rights of the Conversion Delinquent Holders in respect of those Conversion Shares after such deposit shall hereby be limited to receiving, with interest, their respective portion of the total amount so deposited against presentation and surrender of the certificates or documents representing their respective A2 Preferred Shares and an instrument of transfer which transfers the Conversion Shares to the Purchaser;

(iii) in the case of an Elected Conversion, share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will retain the share certificate in its minute book and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A2 Preferred Shares

(iv) all share certificates of such Conversion Delinquent Holder representing A2 Preferred Shares will be deemed to be cancelled and of no further force and effect.

4.9 <u>**Conversion Price Adjustments for Dilutive Share Issues**</u>- If at any time after the Issue Date, the Corporation issues (other than under Excluded Issuances):

(a) any Common Shares;

(b) securities to purchase or acquire Common Shares;

(c) securities convertible, exercisable into or exchangeable for Common Shares; or

(d) securities which, upon a Dissolution Event, participate in the distribution of the remaining property of the Corporation on the same basis as a Common Share;

(any of which are a "**Dilutive Issue**")

at or with an issue, exercise, conversion or exchange price per Common Share (as the case may be) which is less than the Conversion Price, then at any such time, the Conversion Price shall be adjusted to be the amount calculated by the following formula:

$$\text{New Conversion Price} \quad \frac{PN + pn}{N = n}$$

where:	P	the Conversion Price in effect immediately prior to the Dilutive Issue
	N	the number of Common Shares of the Corporation, calculated on a Fully Diluted Basis, immediately prior to the Dilutive Issue
	p	the issue, exercise, conversion or exchange price (as the case may be) of the Dilutive Issue
	n	the number of additional Common Shares of the Corporation issued or issuable under the Dilutive Issue calculated on a Fully Diluted Basis

4.10 **Conversion Price Adjustments for Capital Alterations** - If at any time after the Issue Date, the Corporation subdivides, consolidates or pays a stock dividend on any of its Common Shares, the Conversion Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Conversion Price in effect immediately prior to such event by a fraction:

(a) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(b) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event.

If at any time and from time to time after the Issue Date, the Common Shares are changed into a different class or classes of shares, whether by reclassification, recapitalization, reorganization, arrangement, amalgamation or merger, then each A2 Preferred Holder shall have the right thereafter to convert his A2 Preferred Shares into the kind and amount of shares and other securities and property receivable upon such change by holders of the number of Common Shares into which the A2 Preferred Shares could have been converted immediately prior to such change.

4.11 **Certificate of Conversion Adjustment** - Adjustments made under Sections 4.9 and 4.10 shall be successive and each resulting new Conversion Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Adjustments made under Subsections 4.1(x) and 4.1(hh) shall be successive and each resulting new Issue Price, Threshold Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Upon the occurrence of each such adjustment, the Corporation shall compute the adjustment in accordance with the terms thereof and promptly furnish to each A2 Preferred Holder a certificate setting forth:

(a) the adjustment calculations in detail;

(b) the facts upon which the adjustment and calculations are based;

(c) the resulting new Threshold Price, Conversion Price or Issue Price and Conversion Ratio; and

(d) if applicable, the number and kind of other securities or property which would be received (pursuant to the second paragraph of Section 4.10) by A2 Preferred Holders upon conversion of each A2 Preferred Shares under this Article 4.

Upon written request from time to time of any A2 Preferred Holder, the Corporation shall promptly furnish to such holder a like certificate.

4.12 **Resolution of Calculation and Adjustment Questions** - If at any time a question arises with respect to adjustments or calculations made under this Article 4, such questions shall be determined by the accountants or the auditors of the Corporation, or, if requested in writing by an A2 Preferred Holder or group of A2 Preferred Holders holding at least 10% of the A2 Preferred Shares issued and outstanding, by a single arbitrator pursuant to the *Arbitration Act*

1991 (Ontario), and the determination of such arbitrator shall be binding upon the Corporation and all A2 Preferred Holders and all other shareholders of the Corporation.

4.13 **No Fractional Shares** - Notwithstanding any other provision hereof, no fractional shares shall be issued upon any conversion of A2 Preferred Shares and the number of Common Shares to be issued shall be rounded down to the nearest whole share.

4.14 **Reservation of Shares Issuable Upon Conversion** - The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Shares a sufficient number of Common Shares to effect the conversion of all outstanding A2 Preferred Shares and take any corporate action which may, in the opinion of its legal counsel, be necessary in order to enable and effect the full conversion thereof in accordance with the provisions hereof.

4.15 **Restrictive Covenants** - After the Issue Date, the Corporation shall not, without A2 Preferred Approval:

(a) amend or vary the rights, privileges, restrictions and conditions attached to the A2 Preferred Shares or to the Class A Preferred Shares, as a class;

(b) create or issue any class or series of shares ranking in any way senior to or pari passu with the A2 Preferred Shares or with the Class A Preferred Shares, as a class or amend any existing class of shares to rank in any way senior to or pari passu with the A2 Preferred Shares or with the Class A Preferred Shares; or

(c) increase or decrease the authorized number or capital of the Class A Preferred Shares, subdivide or consolidate the issued Class A Preferred Shares, or issue any additional Class A Preferred Shares or A2 Preferred Shares.

The foregoing approval requirements are m addition to any other requirements of the Corporate Legislation.

4.16 **No Impairment** - The Corporation will not, by amendment of its Articles or By-Laws or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the material terms to be observed or performed under this Article 4 by the Corporation, but will at all times in good faith assist in the carrying out of all of the provisions of this Article 4 and in the taking of all action as may be necessary or appropriate in order to protect the rights of the A2 Preferred Holders against impairment.

4.17 **Conflicting Rights** - In the event of any conflict between (i) the provisions of Article 2 pertaining to the Class A Preferred Shares as a class, Article 4 pertaining to the A2 Preferred Shares and the other Articles, if any, pertaining to the other series of Class A Preferred Shares (together the "**Preferred Articles**") and (ii) any other provision of the Corporation's Articles (including the rights, privileges, restrictions and conditions attached to any other class of shares in the share capital of the Corporation), the provisions set forth in the Preferred Articles shall prevail to the extent of such conflict.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2015 · 12 · 15

(Year, Month, Day)
(année, mois, jour)

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

NEWTOPIA INC.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrir le nom de la société de l'article un à la page une).

By/
Par "Jeffrey Ruby" PRESIDENT

(Signature) (Description of Office)
(Signature) (Fonction)

For Ministry Use Only
À l'usage exclusif du ministère

Ministry of Government Services
Ontario

Ministère des Services gouvernementaux

Ontario Corporation Number
Numéro de la société en Ontario

2172351

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

APRIL 12 AVRIL, 2011

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

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

NEWTOPIA INC.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :
2008/05/09
(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are:
Nombre d'administrateurs :

minimum and maximum number of directors is/are:
nombres minimum et maximum d'administrateurs :

Number
Nombre

or
ou

minimum and maximum
minimum et maximum

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

See Page 1A herein.

1. The articles of the Corporation are amended as follows:

(a) To delete the authorized but unissued Non-Voting shares of the Corporation.

(b) To rename the unlimited number of Voting shares to Common shares.

(c) To delete the rights, privileges, restrictions and conditions attaching to the Voting shares (now known as Common shares) and add the following rights, privileges, restrictions and conditions as provided for in the attached Schedule A.

(d) To create a class of an unlimited number of shares designated as Class A Preferred shares, issuable in series.

(e) To create an unlimited number of the first series of Class A Preferred shares designated as A1 Preferred Shares.

(f) To declare that the authorized capital of the Corporation, after giving effect to the foregoing, shall consist of:

(i) an unlimited number of Common shares.

(ii) an unlimited number of Class A Preferred shares, issuable in series; and

(iii) an unlimited number of first series Class A Preferred Shares designated as A1 Preferred Shares.

(g) To provide for the rights, privileges, restrictions and conditions attaching to the Class A Preferred shares, issuable in series as provided for in the attached Schedule A.

(h) To provide for the rights, privileges, restrictions and conditions attaching to the first series A1 Preferred Shares as provided for in the attached Schedule A.

(i) To delete the transfer restrictions and other provisions noted in the Corporation's articles and replace the transfer restrictions and other provisions as provided for in the attached Schedule B.

SCHEDULE A TO ARTICLES OF AMENDMENT
ARTICLE 1

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHED TO THE COMMON SHARES

1.1 **Voting Rights** - The holder of a Common share in the capital of the Corporation (the "**Common Shares**") shall be entitled to one vote for each Common Share held at all meetings of shareholders of the Corporation, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series.

1.2 **Dividend** - Subject to the prior rights of the holders of any class of Preferred shares in the capital of the Corporation (the "**Preferred Shares**") and to any other shares ranking senior to the Common Shares with respect to priority in the payment of dividends, the holders of the Common Shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon, if, as and when declared by the directors out of the moneys of the Corporation properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and all dividends which the directors may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding.

1.3 **Dissolution** - In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of any Preferred Shares and to any other shares ranking senior to the Common Shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding-up, the holders of the Common Shares shall be entitled to receive the remaining property and assets of the Corporation.

ARTICLE 2

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHED TO THE CLASS A PREFERRED SHARES

The Class A Preferred shares (the "**Class A Preferred Shares**") of the Corporation shall have attached thereto the following rights, privileges, restrictions and conditions:

2.1 **Directors' Authority to Issue in One or More Series** - The Class A Preferred Shares may from time to time be issued in one or more series. The directors may, by resolution passed before the issue of shares of any particular series of Class A Preferred Shares, alter the Articles of the Corporation to fix the number of shares in that series and determine the designation of shares of that series; and to create, define and attach the rights, privileges, restrictions and conditions attaching to the shares of that series.

2.2 **Pari Passu Ranking on Dividends and Return of Capital** - In respect of dividends or a return of capital (whether on winding up or on the occurrence of another event that would result in the holders of all series of Class A Preferred Shares being entitled to a return of capital):

(a) the Class A Preferred Shares shall have priority over the Common Shares in the capital of the Corporation and over any other shares of the Corporation ranking junior to the Class A Preferred Shares in respect of such payment;

(b) the Class A Preferred Shares shall rank junior to any other shares of the Corporation ranking senior to the Class A Preferred Shares in respect of such payment; and

(c) no special rights or restrictions attached to a series of Class A Preferred Shares shall confer upon a series priority over any other series of Class A Preferred Shares then outstanding.

2.3 **Ratable Participation** - If cumulative dividends in respect of a series of Class A Preferred Shares are not paid in full, the shares of all series of Class A Preferred Shares which have the right to cumulative dividends shall participate rateably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full. If amounts payable on a winding up, or on the occurrence of any other event that would result in the holders of all series of Class A Preferred Shares being entitled to a return of capital, are not paid in full, the shares of all series of Class A Preferred Shares shall participate rateably in a return of capital in respect of the class in accordance with the amounts that would be payable on the return of capital if all amounts so payable were paid in full.

ARTICLE 3

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO SERIES 1 CLASS A PREFERRED SHARES

The first series of Class A Preferred shares of the Corporation shall consist of an unlimited number of shares designated as "**A1 Preferred Shares**". The rights, privileges, restrictions and conditions attaching to the A1 Preferred Shares, as a series, are as follows:

3.1 **Interpretation** - In this Article 3:

(a) "**A1 Liquidation Price**" has the meaning given to that term in Subsection 3.4(c);

(b) "**A1 Preferred Approval**", in respect of a matter, means that A1 Preferred Holders holding at least two thirds of the A1 Preferred Shares issued and outstanding at the time have approved of the matter by:

   (i) an instrument in writing which describes the matter approved and refers to the Section hereunder which requires the approval, or

   (ii) a meeting at which the A1 Preferred Holders vote together as a separate group;

(c) "**A1 Preferred Holders**" means the registered holders of the A1 Preferred Shares and a "**A1 Preferred Holder**" means any one of them;

(d) "**Affiliate**" means with respect to any Person:

   (i) any corporation which is directly or indirectly Controlled by that Person;

   (ii) if a corporation, any corporation which Controls that Person, and any corporation which is directly or indirectly Controlled by a corporation which Controls that corporate Person; and

(iii) if a partnership or limited partnership, any partner who has the right to exercise a majority of the voting rights attached to the outstanding partnership units, and in the case of a limited partnership, any general partner thereof, or any corporation which Controls that partner and any corporation which is directly or indirectly Controlled by a corporation that Controls that partner;

(e) "**Associate**" has the same meaning as has been designated to that term in the Corporate Legislation;

(f) "**Automatic Conversion Event**" has the meaning given to that term in Subsection 3.8(a);

(g) "**Business Day**" means any day except a Saturday, Sunday or legal holiday for Canadian chartered banks in Toronto, Ontario, Canada;

(h) "**Class A Preferred Holders**" means the registered holders of the Class A Preferred Shares and a "**Class A Preferred Holder**" means any one of them;

(i) "**Class A Preferred Shares**" means the Class A Preferred shares in the capital of the Corporation, issuable in series, and "**Class A Preferred Share**" means any one of them;

(j) "**Common Shares**" means the common shares in the capital of the Corporation and "**Common Share**" means any one of them;

(k) "**Control**", "**Controlled**" or "**Controls**" means, in relation to any non-corporate entity or undertaking, the right to directly or indirectly conduct the affairs of the entity or undertaking and, in relation to a corporation:

(i) the right to cast a majority of the votes which may be cast at a general meeting of that corporation; or

(ii) the right to elect or appoint, directly or indirectly, a majority of the directors of that corporation;

(l) "**Conversion Price**" means $0.272, subject to adjustment from time to time under Sections 3.9 and 3.10, and any adjustments made under those Sections shall be successive and each resulting new Conversion Price shall continue in effect until the next adjustment (if any) is made thereunder;

(m) "**Conversion Ratio**", at any particular time, means the Conversion Ratio determined at that time by the following formula:

$$\text{Conversion Ratio} = \frac{\text{Issue Price}}{\text{Conversion Price}}$$

being the ratio at which A1 Preferred Shares may be converted into Common Shares under this Article 3;

(n) "**Corporate Legislation**" means the *Business Corporations Act* (Ontario);

(o) "**Corporation Notice**" has the meaning given to that term in Section 3.5(a);

(p) "**Deemed Liquidation Event**" has the meaning given to that term in Subsection 3.5(a);

(q) "**Dissolution Event**" has the meaning given to that term in Subsection 3.4(a);

(r) "**Equity Securities**" means:

(i) shares or any other security of the Corporation that carries the residual right to participate in the earnings of the Corporation and, on liquidation, dissolution or winding-up, in the assets of the Corporation, whether or not the security carries voting rights;

(ii) any warrants, options or rights entitling the holders thereof to purchase or acquire any such securities; or

(iii) any securities issued by the Corporation which are convertible or exchangeable into such securities;

(s) "**Excluded Issuances**" means any securities of the Corporation issued pursuant to:

(i) a duly approved stock dividend or share subdivision;

(ii) the conversion rights of the Preferred Shares;

(iii) the options, warrants and other rights to purchase or acquire Common Shares which were outstanding on the Issue Date and disclosed in writing by the Corporation to the A1 Preferred Holders before the Issue Date (a copy of such written disclosure is located at the records office of the Corporation);

(iv) any incentive compensation plan or employee share option plan adopted by the Corporation that has received A1 Preferred Approval; or

(v) an issuance which has been designated an "Excluded Issuance" by A1 Preferred Approval;

(t) "**Exercise Deadline**" has the meaning given to that term in Subsection 3.5(a);

(u) "**Fully Diluted Basis**" at any time means that all options (whether vested or unvested), warrants or other rights of any kind to acquire Common Shares and all securities of the Corporation which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into securities which are themselves convertible into Common Shares) which are outstanding at that time shall be deemed to have been fully exercised, converted or exchanged, as the case may be, and the Common Shares issuable as a result thereof shall be deemed to have been fully issued and to form part of the holdings of the Person(s) entitled to receive such Common Shares;

(v) "**Fully Diluted Common Shares**" means all the Common Shares which would be outstanding if all securities of the Corporation which are outstanding at that time and which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into shares which are themselves convertible into Common Shares) at that time were fully exercised, converted or exchanged, as the case may be, into Common Shares;

(w) "**Issue Date**" means the first date upon which A1 Preferred Shares are issued;

(x) **"Issue Price"** means $0.272, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the A1 Preferred Shares after the Issue Date and the Issue Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Issue Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of A1 Preferred Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of A1 Preferred Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Issue Price shall continue in effect until the next adjustment (if any) is made;

(y) **"Liquidation Price"** means the value that a shareholder of the Corporation would receive per Share for the relevant type of Share if a Dissolution Event had occurred, in such preference and priority as would apply as if a Dissolution Event had occurred;

(z) **"Offered Shares"** has the meaning given to that term in Subsection 3.6(c);

(aa) **"Person"** means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, power of attorney or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted;

(bb) **"Preferred Shares"** means the preferred shares in the capital of the Corporation, issuable by class or series as set out in the Articles of the Corporation and **"Preferred Share"** means any one of them;

(cc) **"Qualified IPO"** means completion of a public offering of Common Shares from treasury at a price per Common Share of not less than the Threshold Price which results in net sale proceeds to the Corporation of at least $10,000,000;

(dd) **"Qualified Sale"** means:

(i) a sale of all of the issued Common Shares to a third party which results in payment to each holder of Fully Diluted Common Shares of cash in the net aggregate amount equal to the Threshold Price multiplied by the number of Fully Diluted Common Shares which are held by such holder;

(ii) a sale of all or substantially all of the Corporation's assets or property for an aggregate net price which results in payment to each holder of Fully Diluted Common Shares of cash in the net aggregate amount equal to the Threshold Price multiplied by the number of Fully Diluted Common Shares which are held by such holder;

(ee) **"Retracting Holder"** has the meaning given to that term in Subsection 3.6(d);

(ff) **"Retraction Price"** has the meaning given to that term in Subsection 3.6(a);

(gg) "**Shares**" means shares of any class in the share capital of the Corporation from time to time and "**Share**" means any one of them;

(hh) "**Threshold Price**" means $1.36, subject to immediate adjustment from time to time to reflect any subdivisions or consolidations of the Common Shares after the Issue Date and the Threshold Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Threshold Price in effect immediately prior to such event by the following fraction:

(i) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(ii) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event;

and any such adjustments shall be successive and each resulting new Threshold Price shall continue in effect until the next adjustment (if any) is made;

(ii) "**Unpaid Dividends**" has the meaning given to that term in Paragraph 3.4(a);

(jj) other terms defined elsewhere in this Article 3 shall have the meanings so ascribed thereto;

(kk) unless otherwise provided, all dollar amounts referred to are in lawful money of Canada; and

(ll) time shall be of the essence.

3.2 **Voting Rights** - Each of the A1 Preferred Holders shall be entitled as such to receive notice of and to attend all meetings of the shareholders of the Corporation (except meetings at which only holders of another class or series of shares of the Corporation are required by law to vote separately as a class or series) and at each such meeting shall have one vote in person or by proxy for each Common Share which the A1 Preferred Holder would be entitled to receive upon full conversion of its A1 Preferred Shares into Common Shares under Section 3.7 as at the record date of the meeting. A1 Preferred Holders and the holders of Common Shares and other Preferred Shares will vote as one class, except as required by law.

3.3 **Dividends**

(a) Discretionary Dividends - Subject to the provisions of the Corporate Legislation and Subsections 3.3(b) and 3.6(f), the A1 Preferred Holders shall be entitled to receive dividends, if, as, and when declared by the directors of the Corporation from time to time.

(b) Participation in Common Dividends - Each time the Corporation pays a dividend on any of its Common Shares, it shall also concurrently pay a dividend to each A1 Preferred Holder determined as follows:

A1 Preferred Holder's Dividend	=	the Common Share dividend amount per share	x	the number of Common Shares which the A1 Preferred Holder would be entitled to receive upon full conversion of the holder's A1 Preferred Shares into Common Shares under Section 3.7 as at the record date of the dividend.

3.4 Dissolution

(a) In the event of a 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 (whether voluntary or involuntary) (a "**Dissolution Event**"), each A1 Preferred Holder shall be entitled, as such, to promptly receive from the assets and property of the Corporation in respect of each A1 Preferred Share held by such A1 Preferred Holder following payment to any holders of shares ranking senior to the Class A Preferred Shares and on a pari passu basis with all other Class A Preferred Holders but in preference and in priority to the registered holders of any other class of shares of the Corporation which rank junior to the Class A Preferred Shares, including, without limitation, the Common Shares, an amount equal to the Issue Price for each of its A1 Preferred Shares plus any dividends declared but unpaid thereon (the "**Unpaid Dividends**"; and

(b) If upon any such Dissolution Event the assets of the Corporation available for distribution to its shareholders following payment to any holders of shares ranking senior to the Class A Preferred Shares shall be insufficient to pay (i) the A1 Preferred Holders the full amount to which they shall be entitled under Paragraph 3.4(a), and (ii) the other Class A Preferred Holders the full amounts they would be entitled to under the special rights and restrictions attaching to those shares, the Class A Preferred Holders shall share rateably in any distribution of the assets available for distribution to the Class A Preferred Holders in proportion to the respective amounts which would otherwise be payable in respect of the Class A Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(c) The aggregate amount which an A1 Preferred Holder is entitled to receive under this Section 3.4 in respect of each A1 Preferred Share is hereinafter referred to as the "**A1 Liquidation Price**".

3.5 Deemed Liquidation Events

(a) Deemed Liquidation Events - Any of the following events shall be considered a "**Deemed Liquidation Event**" if the A1 Preferred Holders, by A1 Preferred Approval designate it as such in a written notice sent to the Corporation at least 5 Business Days prior to the effective date of such event (the "**Exercise Deadline**"):

(i) an amalgamation, merger or reorganization of the Corporation;

(ii) any event after which a Person, together with his Associates and Affiliates would Control the Corporation or Control the Corporation on a Fully Diluted Basis;

(iii) a sale, transfer or other disposition of all or substantially all of the Corporation's assets or undertaking; or

(iv) the entering into by the Corporation of an agreement or agreements to lease or license all or substantially all of its assets or undertaking exclusively to a Person or Persons where the entering into of such agreement or agreements has substantially the same effect on the business of the Corporation as a sale of all or substantially all of its assets or undertaking would have on the business of the Corporation.

Upon becoming aware of any potential or proposed Deemed Liquidation Event, the Corporation shall immediately (and not less than 20 Business Days prior to such potential or proposed Deemed Liquidation Event) deliver a written notice to the A1 Preferred Holders setting out full particulars of such potential or proposed Deemed Liquidation Event together with any other information which would be required by the A1 Preferred Holders to make the designation described at the beginning of this Section 3.5(a) including but not limited to the proposed form and amount of consideration to be paid or distributed in connection with the potential Deemed Liquidation Event, the proposed A1 Liquidation Price, the proposed Liquidation Prices for other classes or series of Shares (whether or not the Shares are to receive payment) and the proposed valuation of the Corporation or assets upon which such calculations are based (the "**Corporation Notice**").

(b) Rights on Deemed Liquidation Event - Upon the occurrence of a Deemed Liquidation Event each A1 Preferred Holder shall be entitled, as such, to promptly receive, in exchange for their A1 Preferred Shares, whether in cash, securities or other property, as agreed to by the A1 Preferred Holders by A1 Preferred Approval, payment of the A1 Liquidation Price for each A1 Preferred Share in such preference, priority and amount as would apply as if a Dissolution Event had occurred.

(c) Effecting a Deemed Liquidation Event

(i) The Corporation shall not have the power to effect a Deemed Liquidation Event unless the agreement, plan of merger or consolidation, plan of arrangement or amalgamation agreement, as applicable, for such Deemed Liquidation Event provides that any consideration payable to the shareholders of the Corporation shall be allocated among the shareholders of the Corporation in accordance with Subsection 3.5(b) above.

(ii) In the event of a Deemed Liquidation Event referred to in Paragraph 3.5(a)(iii) or (iv), if the Corporation does not distribute the proceeds of such Deemed Liquidation Event to the A1 Preferred Holders in accordance with Subsection 3.5(b) above within 30 days after the effective date of such Deemed Liquidation Event, then:

(A) the Corporation shall send a written notice to each A1 Preferred Holder no later than 30 days after the effective date of the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (B) to require the redemption of such A1 Preferred Shares; and

(B) if the A1 Preferred Holders, by A1 Preferred Approval, request in a written instrument delivered to the Corporation not later than 60 days after the effective date of such Deemed Liquidation Event (the "**A1 Liquidation Redemption Notice**"),

the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the directors of the Corporation), together with any other assets of the Corporation available for distribution to its shareholders (the "**Available Proceeds**"), to the extent legally available therefor, to redeem all of the outstanding A1 Preferred Shares at a price per A1 Preferred Share equal to the A1 Liquidation Price on the date specified in the A1 Liquidation Redemption Notice.

Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if following payment to any holders of shares ranking senior to the Class A Preferred Shares the Available Proceeds are not sufficient to redeem all outstanding A1 Preferred Shares and any other Class A Preferred Shares entitled to redemption in such circumstances (together the "**Redeemable Class A Preferred Shares**"), the Corporation shall redeem a pro rata portion of each Class A Preferred Holder's Redeemable Class A Preferred Shares to the fullest extent of any remaining Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the remaining Available Proceeds were sufficient to redeem all such shares, and (iii) redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

(iii) Prior to the distribution or redemption provided for in this Subsection 3.5(c), the Corporation shall not expend or dissipate the Available Proceeds, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

(d) Amount Deemed Paid or Distributed - The amount deemed paid or distributed to the shareholders of the Corporation upon any Deemed Liquidation Event shall be the cash or the value of the property, rights or securities paid or distributed to such shareholders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the directors of the Corporation.

(e) Modification and Waiver - Notwithstanding the foregoing, for any proposed Deemed Liquidation Event, the notice period, the procedure and the manner of payment in respect of any A1 Preferred Shares may be modified by written agreement between the Corporation and the A1 Preferred Holders by A1 Preferred Approval.

3.6 Retraction Right

(a) Retraction Conditions - Subject to A1 Preferred Approval as contemplated by Subsection 3.6(d), each A1 Preferred Holder shall have the right (the "**Retraction Right**") at any time and from time to time after November 8, 2013 to require the Corporation to redeem, subject to the provisions of the Corporate Legislation and in accordance with this Section 3.6, all or from time to time any part of the A1 Preferred Holder's A1 Preferred Shares held on the Retraction Date (as defined below) at a price (the "**Retraction Price**") for each A1 Preferred Share to be redeemed equal to the A1 Liquidation Price.

(b) Retraction Notice - If an A1 Preferred Holder (the "**Initiator**") chooses to exercise the Retraction Right, then the Initiator shall, at least 90 days before the date specified for retraction, deliver to the Corporation a notice (the "**Retraction Notice**") in writing specifying that the Initiator wishes to exercise the Retraction Right, the number of the Initiator's A1 Preferred Shares to be redeemed and the date chosen by the Initiator upon which the Corporation is to redeem the Initiator's A1 Preferred Shares (the "**Retraction Date**"). Within seven days of receiving the Retraction Notice, the Corporation shall deliver a written notice (the "**Corporation Notice**") to all other A1 Preferred Holders of the Retraction Notice.

(c) Response to Corporation Notice - Each A1 Preferred Holder who wishes to exercise the Retraction Right shall give written notice to the Corporation within 10 days after receiving the

Corporation Notice specifying the number of A1 Preferred Shares it wishes to redeem on the Retraction Date (the "**Offered Shares**").

(d) Redemption of Shares

(i) Subject to Paragraphs 3.6(d)(ii) and 3.6(d)(iii) below, if A1 Preferred Holders by A1 Preferred Approval have notified the Corporation in writing pursuant to Subsections 3.6(b) and 3.6(c) that they wish to exercise their Retraction Right, then on the Retraction Date, the Corporation shall pay, or cause to be paid, to or to the order of each A1 Preferred Holder so requesting redemption the applicable Retraction Price on presentation and surrender to the Corporation of the certificate(s) representing the Offered Shares being redeemed.

(ii) If the retraction set out in Paragraph 3.6(d)(i) above does not receive A1 Preferred Approval then the Corporation shall not retract any Offered Shares on the Retraction Date. Upon determining that the A1 Preferred Approval has not been met, the Corporation shall immediately return to the holder the holders' share certificate(s) which were delivered pursuant to Paragraph 3.6(d)(i).

(iii) If the Corporation cannot redeem all of the Offered Shares in accordance with the foregoing provisions of this Section 3.6 without causing a contravention of the Corporate Legislation, then the Corporation shall redeem such portion of the Offered Shares, on a pro rata basis, as can be redeemed without causing such contravention, and the Corporation shall redeem the balance of such Offered Shares, on a pro rata basis, as soon as it is lawfully permitted to do so.

(iv) In all cases the Corporation shall pay for shares redeemed hereunder by cash, certified cheque, bank draft or solicitor's trust cheque.

(e) Certificate for Remaining Shares - If only part of the A1 Preferred Shares represented by any certificate presented are redeemed, then a new certificate for the unredeemed balance of the A1 Preferred Shares represented by such certificate(s) shall promptly be issued and delivered to the registered holder thereof at the expense of the Corporation.

(f) Failure to Redeem - If the Corporation fails to redeem any Offered Shares required to be redeemed pursuant to this Section 3.6 then the holders of such A1 Preferred Shares shall thereafter be entitled to receive and the Corporation shall pay, in addition to the Retraction Price, a cumulative dividend (the "**Retraction Dividend**") on the outstanding balance of the Retraction Price equal to the sum of 10% per annum and the 90 day Canadian treasury bill rate in effect from time to time (the "**Retraction Rate**") until such shares are redeemed in full, accruing from the Retraction Date specified for the redemption of such shares (or if there has been a Delinquent Retractor pursuant to Subsection 3.6(d), the date which is three days following the expiry of the Delinquent Notice Period) until the date such shares are redeemed in full.

(g) Additional Notice - If the Corporation issues a redemption notice or receives a retraction notice (an "**Additional Notice**") in respect of a request by a holder for the redemption of any share of any series or class of shares of the Corporation having a right of redemption (other than A1 Preferred Shares) then, provided that at the time of the Additional Notice, the A1 Preferred Holders have the right to require the Corporation to redeem all or part of the A1 Preferred Shares pursuant to the provisions of Subsection 3.6(a), the Corporation shall promptly deliver a copy of the Additional Notice to each of the A1 Preferred Holders. Each Person entitled to exercise the Retraction Right under this Section 3.6, and each Class A Preferred Holder holding shares in a series of Class A Preferred Shares which contain retraction rights (which, together with the A1 Preferred Shares are the "**Retractable Class A Preferred Shares**") shall be entitled to require the Corporation to redeem all or part of such Retractable Class A Preferred Shares following the redemption of any shares of any other class of shares of the Corporation ranking senior to the Class A Preferred Shares and in preference and priority to any other class of shares of the Corporation ranking junior to the Class A Preferred Shares, on the same terms and conditions as set forth in Subsections 3.6(a) and 3.6(c) to 3.6(f) provided that for the purposes of a redemption pursuant to this Subsection 3.6(g), the term "**Corporation Notice**" shall be taken to mean the term "Additional Notice", as defined above, and the term "**Retraction Date**" shall be taken to mean the date for redemption applicable for the redemption of the shares covered by the Additional Notice. If the Corporation cannot redeem all of the shares requested to be redeemed on such date for redemption without causing a contravention of the Corporate Legislation, then the Corporation shall, notwithstanding any other provision of these Sections, redeem such portion of the Retractable Class A Preferred Shares as can be redeemed without causing such contravention and the Corporation shall redeem the balance of such Retractable Class A Preferred Shares as soon as it is lawfully permitted to do so, and after all such Retractable Class A Preferred Shares are redeemed in accordance with the foregoing, the Corporation may redeem such other shares of the Corporation having a right of redemption.

(h) Modification - Notwithstanding the foregoing, for any particular redemption, the notice period, the right to receive an Additional Notice, the procedure and the manner of payment for the retraction of any A1 Preferred Shares may be modified by written agreement between the Corporation and the A1 Preferred Holders by A1 Preferred Approval.

3.7 Conversion at the Holder's Option - Each of the A1 Preferred Holders shall have the right (the "**Conversion Right**") at any time, or from time to time, to convert all or any part of its A1 Preferred Shares into fully paid Common Shares on the following basis:

(a) Conversion Notice - An A1 Preferred Holder may exercise an A1 Preferred Holder's Conversion Right by notice (the "**Conversion Notice**") in writing delivered to the Corporation. The Conversion Notice shall (i) specify the number of A1 Preferred Shares (the "**Specified Shares**") the A1 Preferred Holder delivering the Conversion Notice wishes to be converted, (ii) be signed by the A1 Preferred Holder and (iii) be accompanied by the certificate or certificates representing the A1 Preferred Shares to be so converted.

(b) Conversion Procedure - Effective as of the date of receipt by the Corporation of a duly signed Conversion Notice and accompanying share certificate or certificates, the Corporation shall issue and promptly deliver to the A1 Preferred Holder tendering the Conversion Notice a certificate representing that number of fully paid and non-assessable Common Shares which is equal to the number of Specified Shares multiplied by the Conversion Ratio then in effect. If less than all the A1 Preferred Shares represented by any certificate are converted, the Corporation shall at its expense promptly issue and promptly deliver a new share certificate to the holder thereof for the balance of the A1 Preferred Shares not converted.

3.8 Automatic Conversion

(a) Conversion Events - All of the issued and outstanding A1 Preferred Shares shall immediately and automatically be converted into fully paid and non-assessable Common Shares at the Conversion Ratio then in effect on the earlier of:

(i) the closing of a Qualified IPO; and

(ii) the closing of a Qualified Sale,

(each an "**Automatic Conversion Event**").

(b) Advance Surrender - At least 21 days before closing of an Automatic Conversion Event the Corporation shall give written notice of the intended closing or conversion to all A1 Preferred Holders and such holders shall deliver, in trust, the certificates representing their A1 Preferred Shares to the Corporation, or to a trust company designated in the notice, at least 10 days prior to the estimated offering date or sale date. If the closing of the Qualified IPO does not occur within 60 days of the notice, the Qualified IPO shall be deemed not to have occurred and any certificate(s) that have been so surrendered shall be returned by the Corporation to the respective A1 Preferred Holder.

(c) Conversion Procedure - On an Automatic Conversion Event, the Corporation shall promptly issue and promptly deliver to each A1 Preferred Holder (other than Conversion Delinquent Holders (as defined below)) certificates representing fully paid and non-assessable Common Shares for the number of shares equal to the number of A1 Preferred Shares held by the A1 Preferred Holder multiplied by the Conversion Ratio then in effect, and shall cancel all share certificates representing A1 Preferred Shares.

(d) Conversion Delinquent Holders - If any of the A1 Preferred Holders (the "**Conversion Delinquent Holders**") do not deliver their certificates representing A1 Preferred Shares to the Corporation in accordance with Subsection 3.8(b), the Corporation shall have the right to issue certificates representing that number of fully paid and non-assessable Common Shares equal to the number of A1 Preferred Shares held by the Conversion Delinquent Holder multiplied by the Conversion Ratio then in effect (the "**Conversion Shares**") and:

(i) in the case of a Qualified IPO the share certificates will be issued in the name of the Conversion Delinquent Holder and the Corporation will deliver the certificates representing the Conversion Shares to the Corporation's transfer agent (the "**Transfer Agent**") who will hold such share certificates and will release the share certificates to the respective Conversion Delinquent Holder upon presentation and surrender to the Transfer Agent of the certificates or documents representing such Conversion Delinquent Holder's A1 Preferred Shares;

(ii) in the case of a Qualified Sale, the purchaser of the Common Shares pursuant to the Qualified Sale (the "**Purchaser**") shall have the right to deposit the applicable purchase price for the Conversion Shares in a special account at any financial institution in Canada, to be paid proportionately with interest, to each respective Conversion Delinquent Holder upon presentation and surrender to such financial institution of the certificates or documents representing such holder's A1 Preferred Shares and an instrument of transfer which transfers the such holder's Conversion Shares to the Purchaser. Upon the deposit of such purchase price being made, the Corporation shall issue the share certificate for the Conversion Shares in respect of which the deposit was made in the name of the Purchaser and shall deliver such share certificates to the Purchaser and such Conversion Shares shall hereby automatically (without any further action of any kind on the part of the Conversion Delinquent Holders or the Purchaser) be transferred to and purchased by the Purchaser and shall be transferred on the books of the Corporation to the Purchaser and the rights of the Conversion Delinquent Holders in respect of those Conversion Shares after such deposit shall hereby be limited to receiving, with interest, their respective portion of the total amount so deposited against presentation and surrender of the certificates or documents representing their respective A1 Preferred Shares and an instrument of transfer which transfers the Conversion Shares to the Purchaser; and

(iii) all share certificates of such Conversion Delinquent Holder representing A1 Preferred Shares will be deemed to be cancelled and of no further force and effect.

3.9 Conversion Price Adjustments for Dilutive Share Issues - If at any time after the Issue Date, the Corporation issues (other than under Excluded Issuances):

(a) any Common Shares;

(b) securities to purchase or acquire Common Shares;

(c) securities convertible, exercisable into or exchangeable for Common Shares; or

(d) securities which, upon a Dissolution Event, participate in the distribution of the remaining property of the Corporation on the same basis as a Common Share;

(any of which are a "**Dilutive Issue**")

at or with an issue, exercise, conversion or exchange price per Common Share (as the case may be) which is less than the Conversion Price, then at any such time, the Conversion Price shall be adjusted to be the amount calculated by the following formula:

$$\text{new Conversion Price} = \frac{PN + pn}{N + n}$$

where:

P = the Conversion Price in effect immediately prior to the Dilutive Issue

N = the number of Common Shares of the Corporation, calculated on a Fully Diluted Basis, immediately prior to the Dilutive Issue

p = the issue, exercise, conversion or exchange price (as the case may be) of the Dilutive Issue

n = the number of additional Common Shares of the Corporation issued or issuable under the Dilutive Issue calculated on a Fully Diluted Basis

3.10 **Conversion Price Adjustments for Capital Alterations** - If at any time after the Issue Date, the Corporation subdivides, consolidates or pays a stock dividend on any of its Common Shares, the Conversion Price shall simultaneously be adjusted upon the happening of each such event by multiplying the Conversion Price in effect immediately prior to such event by a fraction:

(a) the numerator of which is the number of Common Shares issued and outstanding immediately prior to the event, and

(b) the denominator of which is the number of Common Shares issued and outstanding immediately after completion of the event.

If at any time and from time to time after the Issue Date, the Common Shares are changed into a different class or classes of shares, whether by reclassification, recapitalization, reorganization, arrangement, amalgamation or merger, then each A1 Preferred Holder shall have the right thereafter to convert his A1 Preferred Shares into the kind and amount of shares and other securities and property receivable upon such change by holders of the number of Common Shares into which the A1 Preferred Shares could have been converted immediately prior to such change.

3.11 **Certificate of Conversion Adjustment** - Adjustments made under Sections 3.9 and 3.10 shall be successive and each resulting new Conversion Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Adjustments made under Subsections 3.1(x) and 3.1(hh) shall be successive and each resulting new Issue Price, Threshold Price and Conversion Ratio shall continue in effect until the next adjustment (if any) is made thereunder. Upon the occurrence of each such adjustment, the Corporation shall compute the adjustment in accordance with the terms thereof and promptly furnish to each A1 Preferred Holder a certificate setting forth:

(a) the adjustment calculations in detail;

(b) the facts upon which the adjustment and calculations are based;

(c) the resulting new Threshold Price, Conversion Price or Issue Price and Conversion Ratio; and

(d) if applicable, the number and kind of other securities or property which would be received (pursuant to the second paragraph of Section 3.10) by A1 Preferred Holders upon conversion of each A1 Preferred Shares under this Article 3.

Upon written request from time to time of any A1 Preferred Holder, the Corporation shall promptly furnish to such holder a like certificate.

3.12 **Resolution of Calculation and Adjustment Questions** - If at any time a question arises with respect to adjustments or calculations made under this Article 3, such questions shall be determined by the accountants or the auditors of the Corporation, or, if requested in writing by an A1 Preferred Holder or group of A1 Preferred Holders holding at least 10% of the A1 Preferred Shares issued and outstanding, by a single arbitrator pursuant to the *Arbitration Act, 1991* (Ontario), and the determination of such arbitrator shall be binding upon the Corporation and all A1 Preferred Holders and all other shareholders of the Corporation.

3.13 **No Fractional Shares** - Notwithstanding any other provision hereof, no fractional shares shall be issued upon any conversion of A1 Preferred Shares and the number of Common Shares to be issued shall be rounded down to the nearest whole share.

3.14 **Reservation of Shares Issuable Upon Conversion** - The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Shares a sufficient number of Common Shares to effect the conversion of all outstanding A1 Preferred Shares and take any corporate action which may, in the opinion of its legal counsel, be necessary in order to enable and effect the full conversion thereof in accordance with the provisions hereof.

3.15 **Restrictive Covenants** - After the Issue Date, the Corporation shall not, without A1 Preferred Approval:

(a) amend or vary the rights, privileges, restrictions and conditions attached to the A1 Preferred Shares or to the Class A Preferred Shares, as a class;

(b) create or issue any class or series of shares ranking in any way senior to or pari passu with the A1 Preferred Shares or with the Class A Preferred Shares, as a class or amend any existing class of shares to rank in any way senior to or pari passu with the A1 Preferred Shares or with the Class A Preferred Shares; or

(c) increase or decrease the authorized number or capital of the Class A Preferred Shares, subdivide or consolidate the issued Class A Preferred Shares, or issue any additional Class A Preferred Shares or A1 Preferred Shares.

The foregoing approval requirements are in addition to any other requirements of the Corporate Legislation.

3.16 **No Impairment** - The Corporation will not, by amendment of its Articles or By-Laws or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the material terms to be observed or performed under this Article 3 by the Corporation, but will at all times in good faith assist in the carrying out of all of the provisions of this Article 3 and in the taking of all action as may be necessary or appropriate in order to protect the rights of the A1 Preferred Holders against impairment.

3.17 **Conflicting Rights** - In the event of any conflict between (i) the provisions of Article 2 pertaining to the Class A Preferred Shares as a class, Article 3 pertaining to the A1 Preferred Shares and the other Articles, if any, pertaining to the other series of Class A Preferred Shares (together the "**Preferred Articles**") and (ii) any other provision of the Corporation's Articles (including the rights, privileges, restrictions and conditions attached to any other class of shares in the share capital of the Corporation), the provisions set forth in the Preferred Articles shall prevail to the extent of such conflict.
\5954344

SCHEDULE B TO ARTICLES OF AMENDMENT

ARTICLE 1

RESTRICTIONS TO THE ISSUE, TRANSFER AND OWNERSHIP OF SHARES

1.1 Securities of the Corporation, other than non-convertible debt securities, may not be transferred unless:

(a) (i) the consent of the directors of the Corporation is obtained; or (ii) the consent of shareholders holding more than 50% of the shares entitled to vote at such time is obtained; or

(b) in the case of securities, other than shares, which are subject to restrictions on transfer contained in a security holders' agreement, such restrictions on transfer are complied with.

The consent of the directors or the shareholders for the purposes of this section is evidenced by a resolution of the directors or shareholders, as the case may be, or by an instrument or instruments in writing signed by all of the directors, or shareholders holding more than 50% of the shares entitled to vote at such time, as the case may be.

ARTICLE 2

OTHER PROVISIONS

2.1 The number of beneficial shareholders of the Corporation, exclusive of persons who are in the employment of the Corporation and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment, and have continued after termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty (50), two (2) or more persons who are the joint owners of one (1) or more shares being counted as one (1) shareholder.

2.2 Any invitation to the public to subscribe for securities of the Corporation is prohibited.

2.3 The Corporation shall have a lien on the shares registered in the name of a shareholder or their legal representative for a debt of that shareholder to the Corporation.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2011-04-12

(Year, Month, Day)
(année, mois, jour)

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

NEWTOPIA INC.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrir le nom de la société de l'article un à la page une).

By/
Par :

"Jeffrey Ruby"

(Signature)
(Signature)

President + CEO

(Description of Office)
(Fonction)

For Ministry Use Only
À l'usage exclusif du ministère

Ministry of Government Services | Ministère des Services gouvernementaux

Ontario

Ontario Corporation Number
Numéro de la société en Ontario

002172351

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

JULY 10 JUILLET, 2008

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

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

NEWTOPIA INC.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2008-05-09

(Year, Month, Day)
(année, mois, jour)

4. Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: or minimum and maximum number of directors is/are:
Nombre d'administrateurs : ou nombres minimum et maximum d'administrateurs :

Number or minimum and maximum
Nombre ou *minimum et maximum*

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

See annexed pages 1A through to and including 1H.

SCHEDULE "A"

SECTION 6 OF THE ARTICLES OF INCORPORATION DATED MAY 9, 2008 ("**ORIGINAL ARTICLES**") IS DELETED AND THE FOLLOWING SUBSTITUTED THEREFORE:

"THE CORPORATION IS AUTHORIZED TO ISSUE AN UNLIMITED NUMBER OF SHARES OF TWO CLASSES OF SHARES, DESIGNATED AS VOTING SHARES AND NON-VOTING SHARES, RESPECTIVELY."

SECTION 7 OF THE ORIGINAL ARTICLES IS DELETED AND THE FOLLOWING SUBSTITUTED THEREFORE:

"7.1 VOTING SHARES: THE RIGHTS OF THE HOLDERS OF VOTING SHARES OF THE CORPORATION ARE EQUAL IN ALL RESPECTS AND INCLUDE THE RIGHTS,

A) TO VOTE AT ALL MEETINGS OF SHAREHOLDERS; AND,
B) TO RECEIVE THE REMAINING PROPERTY OF THE CORPORATION UPON DISSOLUTION, PRO RATA WITH THE NON-VOTING SHARES.

NON-VOTING SHARES: THE RIGHTS OF THE HOLDERS OF NON-VOTING SHARES OF THE CORPORATION ARE EQUAL IN ALL RESPECTS AND INCLUDE THE RIGHTS,

A) TO VOTE AT ALL MEETINGS OF SHAREHOLDERS IF, AND ONLY IF, REQUIRED BY STATUTE; AND,
B) TO RECEIVE THE REMAINING PROPERTY OF THE CORPORATION UPON DISSOLUTION, PRO RATA WITH THE VOTING SHARES.

7.2 THE NON-VOTING SHARES ARE SUBJECT TO THE FOLLOWING ADDITIONAL RESTRICTION(S):

(A) <u>EVENTS OF DEFAULT</u>

AN EVENT OF DEFAULT SHALL BE DEEMED TO OCCUR WITH RESPECT TO A NON-VOTING SHAREHOLDER (THE "**DEFAULTING SHAREHOLDER**") IF:
I) SUCH SHAREHOLDER MAKES AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS OR A PROPOSAL UNDER THE PREVAILING BANKRUPTCY LAWS OR IS DECLARED BANKRUPT OR BECOMES INSOLVENT;

II) SUCH SHAREHOLDER IS WOUND UP, DISSOLVED OR LIQUIDATED OR HAS ITS EXISTENCE TERMINATED OR HAS ANY RESOLUTION PASSED THEREFOR;

III) ANY TRUSTEE IN BANKRUPTCY, RECEIVER, RECEIVER AND MANAGER, LIQUIDATOR OR OTHER OFFICER WITH SIMILAR POWERS IS APPOINTED FOR SUCH SHAREHOLDER OR FOR ALL OR ANY MATERIAL PART OF ITS PROPERTY;

IV) CHANGE OF LEGAL (I.E. VOTING) CONTROL OF SUCH SHAREHOLDER OCCURS;

V) DEATH OF THE SHAREHOLDER;

VI) BREACH BY SUCH SHAREHOLDER OF ITS NON-COMPETITION, NON-SOLICITATION OR CONFIDENTIALITY OBLIGATIONS, AS SET OUT IN THE ARTICLES OF INCORPORATION AS AMENDED FROM TIME TO TIME.

(B) RIGHTS UPON DEFAULT

IN ADDITION TO ANY RIGHTS OR REMEDIES THAT MAY BE AVAILABLE TO IT, IF AN EVENT OF DEFAULT (INCLUDING A FAILURE TO CLOSE UNDER S.7.2(F)), SHALL OCCUR WITH RESPECT TO A NON-VOTING SHAREHOLDER, THEN WHILE THE EVENT OF DEFAULT IS CONTINUING THE CORPORATION SHALL BE ENTITLED TO PURCHASE SUCH SHARES FOR 50% OF THEIR FAIR MARKET VALUE. THE CORPORATION MAY ASSIGN ITS RIGHT, IN WHOLE OR PART, TO THE OTHER SHAREHOLDERS, PRO RATA.

(C) NOTICE OF DEFAULT

THE FOLLOWING PROVISIONS SHALL BE APPLICABLE TO ANY TRANSACTION ARISING UNDER THIS ARTICLE:

I) ANY SHAREHOLDER KNOWING THAT A NON-VOTING SHAREHOLDER IS A DEFAULTING SHAREHOLDER SHALL PROMPTLY CONFIRM THAT FACT WITH THE DEFAULTING SHAREHOLDER AND SHALL THEREUPON DELIVER NOTICE IN WRITING TO THE SECRETARY OF THE CORPORATION WHO SHALL PROVIDE THE DEFAULTING SHAREHOLDER (AND, IF THE CORPORATION WISHES TO ASSIGN ITS RIGHT TO PURCHASE, IN WHOLE OR PART, TO THE OTHER SHAREHOLDERS (COLLECTIVELY, THE "**NON-DEFAULTING SHAREHOLDERS**") WITH WRITTEN NOTICE OF THAT FACT AND THE NUMBER AND PRICE, OR IF NO PRICE IS KNOWN, FAIR MARKET VALUE SHALL BE DETERMINED FOR THE SHARES OF THE DEFAULTING SHAREHOLDER WHICH MAY BE ACQUIRED;

II) THE CORPORATION (OR ITS ASSIGNEES) MAY ELECT TO PURCHASE ALL OF THE SHARES OF THE DEFAULTING SHAREHOLDER FOR CASH IN ACCORDANCE WITH THIS ARTICLE BY GIVING NOTICE TO THE DEFAULTING SHAREHOLDER ON OR BEFORE

THE 30^{TH} BUSINESS DAY (THE "**ELECTION DATE**") FOLLOWING RECEIPT OF THE NOTICE CONTEMPLATED BY SECTION 7.2(C)(I);

III) THE CORPORATION (AND EACH ASSIGNEE, WHO ELECTS, ON A PRO RATA BASIS), SHALL, WITHIN TWO (2) BUSINESS DAYS OF THE ELECTION DATE, BE GIVEN NOTICE BY THE SECRETARY OF THE CORPORATION OF THE NUMBER OF SHARES OF THE DEFAULTING SHAREHOLDER TO WHICH IT IS ENTITLED;

IV) IF ANY NON-DEFAULTING SHAREHOLDER ELECTS TO PURCHASE THE SHARES OF THE DEFAULTING SHAREHOLDER, THEN SUCH PURCHASE SHALL BE SUBJECT TO THE PROVISIONS OF SECTION 7.2(F) AND SHALL BE CLOSED ON THE LATER OF THE 30TH BUSINESS DAY FOLLOWING THE ELECTION DATE AND THE FIFTH BUSINESS DAY FOLLOWING THE DETERMINATION OF FAIR MARKET VALUE.

(D) FAIR MARKET VALUE

"**FAIR MARKET VALUE**" MEANS THE AGGREGATE FAIR MARKET VALUE OF THE APPLICABLE SHARES AS AGREED TO IN WRITING BY THE DEFAULTING SHAREHOLDERS AND THE CORPORATION OR, FAILING AGREEMENT, AS DETERMINED BY A BUSINESS VALUATOR (THE "**VALUATOR**") APPOINTED UNDER THIS SECTION.

(E) DETERMINATION OF FAIR MARKET VALUE

IF THE CORPORATION AND DEFAULTING SHAREHOLDER FAIL TO REACH UNANIMOUS WRITTEN AGREEMENT AS TO THE FAIR MARKET VALUE OF A SHAREHOLDER'S SHARES WITHIN 30 BUSINESS DAYS FOLLOWING WRITTEN REQUEST GIVEN BY ANY OF THEM, THEN THEY SHALL JOINTLY APPOINT THE VALUATOR AND SHALL INSTRUCT THE VALUATOR TO DETERMINE THE FAIR MARKET VALUE OF SUCH SHARES WITHIN 30 DAYS FOLLOWING HIS APPOINTMENT. IN MAKING ITS DETERMINATION AS TO THE FAIR MARKET VALUE OF ANY SHARES, THE VALUATOR SHALL NOT TAKE INTO ACCOUNT THE FACT THAT SUCH SHARES DO NOT FORM PART OF A "CONTROL BLOCK". THE DETERMINATION OF THE VALUATOR AS TO THE FAIR MARKET VALUE OF THE SHARES SHALL BE FINAL AND BINDING UPON THE CORPORATION AND DEFAULTING SHAREHOLDER FOR PURPOSE OF THAT TRANSACTION. IF THEY FAIL TO JOINTLY APPOINT THE VALUATOR ON OR BEFORE THE 20TH BUSINESS DAY FOLLOWING WRITTEN REQUEST BY EITHER OF THEM, FOR A DETERMINATION OF THE FAIR MARKET VALUE OF THE SHARES, THEN THE OWNER OF THE SHARES BEING VALUED, AND THE CORPORATION, SHALL EACH APPOINT ONE ARBITRATOR WITHIN FIVE BUSINESS DAYS. THE TWO ARBITRATORS SHALL THEN MEET AND DECIDE UPON THE APPOINTMENT OF A VALUATOR AND THE DECISION OF THE

ARBITRATORS SHALL BE FINAL AND BINDING UPON THE PARTIES. THE VALUATOR SHALL HAVE ACCESS TO THE BOOKS, ACCOUNTS, RECORDS, VOUCHERS, CHEQUES, PAPERS AND DOCUMENTS OF, OR WHICH MAY RELATE TO, THE CORPORATION. THE TWO PARTIES SHALL COOPERATE WITH THE VALUATOR AND SHALL PROVIDE ALL INFORMATION AND DOCUMENTS REASONABLY REQUESTED BY THE VALUATOR. ALL REASONABLE FEES AND DISBURSEMENTS CHARGED BY THE VALUATOR SHALL BE PAID BY THE TWO PARTIES EQUALLY.

(F) CLOSING

THE CLOSING OF ANY PURCHASE OF SHARES BY THE CORPORATION (OR ONE OR MORE SHAREHOLDERS FROM ANOTHER SHAREHOLDER PURSUANT TO THIS SECTION 7) SHALL BE HELD AT THE HEAD OFFICE OF THE CORPORATION AT 10:00 A.M. (LOCAL TIME) ON THE PRESCRIBED DATE AND SHALL BE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

I) THE CORPORATION OR THE SHAREHOLDER(S) (THE "**BUYERS**") WHO ARE TO ACQUIRE SHARES SHALL PAY THE APPLICABLE PURCHASE PRICE BY CERTIFIED CHEQUE TO THE SHAREHOLDER(S) (THE "**VENDORS**") WHO ARE TO SELL THEIR SHARES AND THE VENDORS SHALL DELIVER TO OR TO THE ORDER OF THE BUYERS CERTIFICATES FOR THE SHARES TO BE ACQUIRED, DULY ENDORSED FOR TRANSFER, FREE AND CLEAR OF ALL LIENS, MORTGAGES, CHARGES, SECURITY INTERESTS AND OTHER ENCUMBRANCES;

II) THE VENDORS AND THEIR NOMINEES, IF ANY, SHALL RESIGN IN WRITING THE POSITIONS WHICH THEY THEN HOLD WITH THE CORPORATION AND THE VENDORS AND ANY PERSON HAVING A LEGAL OR BENEFICIAL INTEREST IN THE VENDORS (WHETHER DIRECT OR INDIRECT) AND NOMINEES OF THE VENDORS SHALL RELEASE THE REMAINING SHAREHOLDERS AND THE CORPORATION FROM ALL MANNER OF ACTIONS, CAUSES OF ACTION, SUITS, CLAIMS OR DEMANDS AGAINST ANY OF THEM WHICH THEY EVER HAD, THEN HAVE OR MAY THEREAFTER HAVE, FOR OR BY REASON OF OR ARISING OUT OF ANY CAUSE, MATTER OR THING BUT EXCLUDING CLAIMS ARISING FROM THE TRANSACTION AND CLAIMS FOR OTHER MONEYS THEN OWING PURSUANT TO BONA FIDE DEBTS OF THE CORPORATION;

III) IF THE SHARES TO BE PURCHASED ARE SUBJECT TO ANY LIEN, PLEDGE, SECURITY INTEREST OR ENCUMBRANCE OR ANY OF THE VENDORS OWE ANY MONEY TO THE CORPORATION OR THE BUYERS, AS DETERMINED BY THE AUDITOR OF THE CORPORATION, THE BUYERS SHALL HAVE THE RIGHT TO DEDUCT FROM THE AMOUNT OTHERWISE REQUIRED TO BE PAID BY THEM TO THAT

VENDOR THE AMOUNT REQUIRED TO DISCHARGE ALL SUCH LIENS, PLEDGES, SECURITY INTERESTS OR ENCUMBRANCES AND REPAY ANY MONEYS SO OWING BY THE VENDOR AND SUCH AMOUNT SHALL BE USED ACCORDINGLY; AND

IV) IF, ON THE DATE OF CLOSING OF THE TRANSACTION, ANY OF THE VENDORS SHALL FAIL OR REFUSE TO COMPLETE THE TRANSACTION, THEN THE BUYERS SHALL HAVE THE RIGHT, ON PAYMENT OF THE PURCHASE PRICE FOR THE SHARES INTO ANY CHARTERED BANK OR TRUST COMPANY IN THE CITY OF TORONTO (PROVIDED NOTICE IS GIVEN TO THE DEFAULTING SHAREHOLDER OF SUCH PAYMENT) WITHIN 15 BUSINESS DAYS AFTER THE DATE OF CLOSING, TO EXECUTE AND DELIVER ALL SUCH TRANSFERS, RESIGNATIONS AND OTHER DOCUMENTS AND INSTRUMENTS WHICH MAY BE NECESSARY OR ADVISABLE IN ORDER TO COMPLETE THE TRANSACTION AND FOR SUCH PURPOSE, THE SHAREHOLDERS WHO MAY BECOME VENDORS HEREBY NOMINATE, CONSTITUTE AND IRREVOCABLY APPOINT THE SECRETARY OF THE CORPORATION AND THE SHAREHOLDERS WHO MAY BECOME BUYERS AS THEIR LAWFUL ATTORNEY AND AGENT, WHICH APPOINTMENT IS COUPLED WITH AN INTEREST, WITH FULL POWER AND AUTHORITY TO EXECUTE FOR AND IN THE NAME OF AND ON BEHALF OF THE VENDORS ANY DEEDS, TRANSFERS, CONVEYANCES, ASSIGNMENTS, ASSURANCES, CERTIFICATES AND OTHER DOCUMENTS AND TO DO ALL THINGS WHICH THE VENDORS ARE REQUIRED TO DO UNDER THE TERMS HEREOF.

(G) NON-COMPETITION AND NON-SOLICITATION

SO LONG AS IT IS A SHAREHOLDER AND FOR A PERIOD OF 18 MONTHS COMMENCING IMMEDIATELY AFTER IT CEASES TO BE A SHAREHOLDER OF THE CORPORATION, A NON-VOTING SHAREHOLDER WILL NOT (AND WILL NOT PERMIT ANY AFFILIATED BODY CORPORATE OR ASSOCIATE (AS DEFINED IN THE *BUSINESS CORPORATIONS ACT* (ONTARIO), AS SUCH ACT MAY BE AMENDED FROM TIME TO TIME, AND ALL SUCCESSOR LEGISLATION (THE "ACT") TO), WITHOUT THE PRIOR WRITTEN CONSENT OF THE DIRECTORS OF THE CORPORATION (WHICH MAY BE UNREASONABLY WITHHELD):

(I) COMPETE, DIRECTLY OR INDIRECTLY, WITH THE THEN CURRENT BUSINESS OF THE CORPORATION ANYWHERE IN CANADA; OR ACQUIRE ANY INTEREST IN ANY BUSINESS ACTIVITY IN DIRECT OR INDIRECT COMPETITION WITH THE CORPORATION OTHER THAN THROUGH AN INVESTMENT IN SECURITIES LISTED ON A STOCK EXCHANGE, AND THEN ONLY SO LONG AS THOSE SECURITIES DO NOT REPRESENT MORE THAN TWO (2) PER CENT OF THE ISSUED SECURITIES OF ANY CLASS OF ANY ONE SUCH COMPANY.

(II) A) CANVASS OR SOLICIT OR ENDEAVOUR TO CANVASS OR SOLICIT ANY PERSON, WHO AT ANY TIME DURING THE

EIGHTEEN (18) MONTHS PRECEDING THE DATE ON WHICH THAT SHAREHOLDER CEASED TO BE A SHAREHOLDER, WAS A CLIENT OF THE CORPORATION OR AN AFFILIATED BODY CORPORATE AS DEFINED IN THE ACT, THAT MAY RESULT IN THAT PERSON CEASING TO USE THE SERVICES OF OR ACQUIRING GOODS FROM THE CORPORATION OR ANY AFFILIATED BODY CORPORATE; OR

B) ENTICE, SOLICIT OR ENDEAVOUR TO ENTICE OR SOLICIT ANY OFFICER, EMPLOYEE, CONTRACTOR, AGENT OR CONSULTANT OF THE CORPORATION OR ANY AFFILIATED BODY CORPORATE AWAY FROM EMPLOYMENT WITH OR ENGAGEMENT BY THE CORPORATION OR ANY AFFILIATED BODY CORPORATE, WHETHER OR NOT SUCH PERSON WOULD COMMIT A BREACH OF CONTRACT BY REASON OF LEAVING SUCH SERVICE.

FOR THE PURPOSES OF THIS SECTION, "**CLIENT**" SHALL INCLUDE ANY PERSON WITH WHOM THE CORPORATION OR AN AFFILIATED BODY CORPORATE HAS OR SHALL HAVE, AT ANY TIME WITHIN THE LAST SIX (6) MONTHS OF THE PERSON IN QUESTION HAVING BEEN A SHAREHOLDER OF THE CORPORATION, BEEN IN NEGOTIATION WITH A VIEW TO THE CORPORATION OR AN AFFILIATED BODY CORPORATE BEING INSTRUCTED TO PROVIDE GOODS OR SERVICES TO SUCH PERSON.

(H) <u>CONFIDENTIALITY</u>

(I) NO NON-VOTING SHAREHOLDER SHALL, WITHOUT THE CONSENT OF THE CORPORATION, DIRECTLY OR INDIRECTLY, COMMUNICATE, DISCLOSE TO ANY PERSON, OTHER THAN ITS LEGAL ADVISORS OR AUDITORS, ANY CONFIDENTIAL INFORMATION, INCLUDING USING OR MAKING AVAILABLE, DIRECTLY OR INDIRECTLY, ANY CONFIDENTIAL INFORMATION IN CONNECTION WITH THE SOLICITATION OR ACCEPTANCE OF EMPLOYMENT WITH ANY COMPETITOR OF THE CORPORATION. EACH NON-VOTING SHAREHOLDER AND THE CORPORATION WILL CAUSE AND REQUIRE ALL OF THEIR EMPLOYEES, AGENTS, ADVISORS, CONSULTANTS AND REPRESENTATIVES TO WHOM CONFIDENTIAL INFORMATION IS DISCLOSED TO CONDUCT THEMSELVES AS IF THEY ARE BOUND BY THE PROVISIONS OF THIS SECTION. EACH NON-VOTING SHAREHOLDER WILL, UPON CEASING TO BE A SHAREHOLDER OF THE CORPORATION, DELIVER TO THE CORPORATION ALL DOCUMENTS AND OTHER MEDIA IN HIS/HER OR ITS POSSESSION CONTAINING ANY CONFIDENTIAL INFORMATION OF THE CORPORATION, WITHOUT RETAINING ANY COPIES THEREOF. THE SHAREHOLDERS' OBLIGATIONS UNDER THIS SECTION WILL REMAIN BINDING ON THEM SO LONG AS THEY ARE A SHAREHOLDER, AND FOR TWO YEARS FOLLOWING THE LAST TRANSFER OF ANY OF THEIR SHARES.

NOTWITHSTANDING THE FOREGOING, EACH OF THE SHAREHOLDERS MAY DISCLOSE CONFIDENTIAL INFORMATION:

A) THAT BECOMES GENERALLY AVAILABLE TO THE PUBLIC OTHER THAN AS A RESULT OF A DISCLOSURE BY THE SHAREHOLDER OR ITS REPRESENTATIVES IN VIOLATION OF THESE ARTICLES;

B) THAT WAS AVAILABLE TO THE SHAREHOLDER ON A NON-CONFIDENTIAL BASIS WITHOUT VIOLATION OF THESE ARTICLES PRIOR TO ITS DISCLOSURE BY THE CORPORATION OR ITS REPRESENTATIVES; OR

C) THAT THE SHAREHOLDER IS REQUIRED BY LAW TO DISCLOSE AND IT BECOMES GENERALLY AVAILABLE TO THE PUBLIC, PROVIDED THAT THE SHAREHOLDER FIRST NOTIFIES THE CORPORATION THAT IT BELIEVES IT IS REQUIRED TO DISCLOSE SUCH INFORMATION AND, TO THE EXTENT IT IS PERMITTED TO DO SO BY LAW, IT ALLOWS THE CORPORATION A REASONABLE PERIOD OF TIME TO CONTEST THE DISCLOSURE OF SUCH INFORMATION.

(I) <u>SCOPE OF APPLICATION</u>

THE FOREGOING RESTRICTIONS SHALL APPLY TO ANY ACTION TAKEN BY A NON-VOTING SHAREHOLDER, DIRECTLY OR INDIRECTLY, ALONE OR IN CONCERT OR IN PARTNERSHIP WITH OTHERS, WHETHER AS AGENT, REPRESENTATIVE, PRINCIPAL, EMPLOYEE, CONSULTANT, DIRECTOR OR IN ANY OTHER CAPACITY.

(J) <u>LIMITATION OF TIME PERIODS AND GEOGRAPHIC AREA</u>

WHILE THESE RESTRICTIONS ARE CONSIDERED BY THE PARTIES TO BE REASONABLE, THEY MAY FAIL FOR UNFORESEEN TECHNICAL REASONS. IF ANY OF THESE RESTRICTIONS ARE DETERMINED TO BE UNENFORCEABLE AS GOING BEYOND WHAT IS REASONABLE IN THE CIRCUMSTANCES FOR THE PROTECTION OF THE INTERESTS OF THE CORPORATION AND ITS SHAREHOLDERS BUT WOULD BE VALID IF, FOR EXAMPLE, THE SCOPE OF THEIR TIME PERIODS OR GEOGRAPHIC AREAS WERE LIMITED, THE RESTRICTIONS SHALL APPLY WITH SUCH MODIFICATIONS AS MAY BE NECESSARY TO MAKE THEM VALID AND EFFECTIVE.

(K) <u>DRAG ALONG RIGHTS</u>

IF A PERSON OR PERSONS (A "DRAG ALONG PURCHASER") MAKES A BONA FIDE OFFER (AN "OFFER") (SUCH OFFER TO BE IN CASH OR SECURITIES) TO PURCHASE ALL OF THE VOTING SHARES AND NON-VOTING SHARES, WHICH OFFER HAS BEEN ACCEPTED BY THE HOLDERS OF AT LEAST TWO THIRDS OF THE THEN ISSUED AND OUTSTANDING VOTING SHARES (CALCULATED ON A FULLY DILUTED BASIS) (THE "MAJORITY"), THE

CORPORATION SHALL NOTIFY ALL OF ITS SECURITY HOLDERS OF THE DECISION BY THE MAJORITY TO ACCEPT SUCH OFFER WITHIN THREE BUSINESS DAYS OF SUCH DETERMINATION. UPON RECEIPT OF SUCH NOTICE, EVERY NON-VOTING SHAREHOLDER SHALL BE DEEMED TO HAVE ACCEPTED THE OFFER AND AGREED TO SELL ITS SHARES PURSUANT TO THE OFFER, PROVIDED THAT THE OFFER IS MADE ON EQUIVALENT TERMS AND CONDITIONS FOR EACH KIND OR CLASS OF SECURITY, MUTATIS MUTANDIS (AND WITH THE NECESSARY DIFFERENCES AS BETWEEN DIFFERENT KINDS OR CLASSES AS ARE NECESSARY TO ENSURE COMPLIANCE WITH LIQUIDATION PREFERENCES).

SECTION 8 OF THE ORIGINAL ARTICLES IS DELETED AND THE FOLLOWING SUBSTITUTED THEREFORE:

NO NON-VOTING SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE CONSENT OF THE DIRECTORS OF THE CORPORATION EXPRESSED BY A RESOLUTION PASSED BY THE BOARD OF DIRECTORS OR BY AN INSTRUMENT OR INSTRUMENTS IN WRITING SIGNED BY ALL OF THE DIRECTORS THEN IN OFFICE.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la Loi sur les sociétés par actions.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2008-Jun-17

(Year, Month, Day)
(année, mois, jour)

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

NEWTOPIA INC.

(Name of Corporation) (If the name is to be changed by these articles set out current name)
(Dénomination sociale de la société) (Si l'on demande un changement de nom, indiquer ci-dessus la dénomination sociale actuelle).

By/
Par :

"Jeffrey Ruby"

(Signature)
(Signature)

DIRECTOR

(Description of Office)
(Fonction)

For Ministry Use Only
À l'usage exclusif du ministère

Ontario

Ministry of Government Services

Ministère des Services gouvernementaux

Ontario Corporation Number
Numéro de la société en Ontario

002172351

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

MAY 22 MAI, 2008

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION

Form 3
Business Corporations Act

Formule 3
Loi sur les sociétés par actions

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

2172351 ONTARIO INC.

2. The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

NEWTOPIA INC.

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2008/05/09
(Year, Month, Day)
(année, mois, jour)

4. Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: or minimum and maximum number of directors is/are:
Nombre d'administrateurs : ou nombres minimum et maximum d'administrateurs :

Number / Nombre or / ou minimum and maximum / *minimum et maximum*

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

Resolved that:

(a) The name of the Corporation is changed to Newtopia Inc.

07119 (08/2005)

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la Loi sur les sociétés par actions.

7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2008/05/21
(Year, Month, Day)
(année, mois, jour)

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

2172351 Ontario Inc.
(Name of Corporation) (If the name is to be changed by these articles set out current name)
(Dénomination sociale de la société) (Si l'on demande un changement de nom, indiquer ci-dessus la dénomination sociale actuelle).

By/
Par :

"Dennis Bennie"
(Signature)
(Signature)

Director
(Description of Office)
(Fonction)

Request ID:	010315245	Province of Ontario	Date Report Produced: 2008/05/09
Demande n°:		Province de l'Ontario	Document produit le:
Transaction ID:	035418689	Ministry of Consumer and Business Services	Time Report Produced: 10:42:01
Transaction n°:		Ministère des Services aux consommateurs et aux entreprises	Imprimé à:
Category ID:	CT	Companies and Personal Property Security Branch	
Catégorie:		Direction des compagnies et des sûretés mobilières	

Certificate of Incorporation
Certificat de constitution

This is to certify that

Ceci certifie que

2172351 ONTARIO INC.

Ontario Corporation No.

Numéro matricule de la personne morale en Ontario

002172351

is a corporation incorporated, under the laws of the Province of Ontario.

est une société constituée aux termes des lois de la province de l'Ontario.

These articles of incorporation are effective on

Les présents statuts constitutifs entrent en vigueur le

MAY 09 MAI, 2008

Director/Directrice
Business Corporations Act/Loi sur les sociétés par actions

For Ministry Use Only
À l'usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario

002172351

This BCA Form 1 submission was accepted for filing by the Companies and Personal Property Security Branch under Request ID 010315245 *on* 2008/05/09 *.*
This BCA Form 1 is not an MCBS report.

La présente Formule 1 prescrite par la Loi sur les sociétés par actions a été acceptée par la Direction des compagnies et des sûretés mobilières le 2008/05/09*, sous le numéro de référence* 010315245 *. Cette formule n'est pas un rapport issu du MSCE.*

Form 1
Business Corporations Act

Formule 1
Loi sur les sociétés par actions

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

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

2172351 ONTARIO INC.

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

12 LAWTON BLVD.

(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 M4V 1Z4

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

(Postal Code)
(Code postal)

3. Number (or minimum and maximum number) of directors is/are:
Nombre (ou nombres minimal et maximal) d'administrateurs :

minimum/*minimal*: 1
maximum/*maximal*: 10

4. The first director(s) is/are:
Premier(s) 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, le numéro de la R.R. ou le nom de la municipalité, la province, le pays et le code postal*	Resident Canadian? Yes or No *Résident canadien? Oui/Non*
DENNIS BENNIE	52 OWEN BLVD. TORONTO ONTARIO CANADA M2P 1E9	YES

4. The first director(s) is/are: Premier(s) 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, le numéro de la R.R. ou le nom de la municipalité, la province, le pays et le code postal	Resident Canadian? Yes or No Résident canadien? Oui/Non
JEFFREY RUBY	41 MARLBOROUGH AVENUE TORONTO ONTARIO CANADA M5R 1X5	YES

5. 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.

None

6. 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 :

Unlimited

7. 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 :

None

8. 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

9. Other provisions if any:
Autres dispositions, s'il y a lieu :

None

10. The names and addresses of the incorporators are;
Noms et adresses des fondateurs :

First name, middle names and surname or corporate name *Prénom, autres prénoms et nom de famille ou dénomination sociale*	Full address for service or address of registered office or of principal place of business giving street & No. or R.R. No., municipality and postal code *Domicile élu au complet, adresse du siège social ou adresse de l'établissement principal, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité et le code postal*
JEFFREY RUBY	41 MARLBOROUGH AVENUE TORONTO ONTARIO CANADA M5R 1X5

Request ID / *Demande n°*

10315245

Ontario Corporation Number
Numéro de la compagnie en Ontario

2172351

FORM 1 / *FORMULE NUMÉRO 1*

BUSINESS CORPORATIONS ACT / *LOI SUR LES COMPAGNIES*

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: / *Dénomination sociale de la compagnie:*

   2172351 ONTARIO INC.

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

   C/O JEFFREY RUBY
   12 LAWTON BLVD.

   (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 édifice à bureau, numéro du bureau)

   TORONTO ONTARIO
   CANADA M4V 1Z4

   (Name of Municipality or Post Office) / (Postal Code/*Code postal*)
   (Nom de la municipalité ou du bureau de poste)

3. Number (or minimum and maximum number) of directors is: / *Nombre (ou nombres minimal et maximal) d'administrateurs:*

   Minimum 1 Maximum 10

4. The first director(s) is/are: / *Premier(s) administrateur(s):*

   First name, initials and surname / *Prénom, initiales et nom de famille*

   Resident Canadian State Yes or No / *Résident Canadien Oui/Non*

   Address for service, giving Street & No. or R.R. No., Municipality and Postal Code / *Domicile élu, y compris la rue et le numéro, le numéro de la R.R., ou le nom de la municipalité et le code postal*

* DENNIS
BENNIE — YES

52 OWEN BLVD.

TORONTO ONTARIO
CANADA M2P 1E9

Request ID / *Demande n°*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
10315245	2172351

4. The first director(s) is/are: *Premier(s) administrateur(s):*

First name, initials and surname
Prénom, initiales et nom de famille

Resident Canadian State Yes or No
Résident Canadien Oui/Non

Address for service, giving Street & No. or R.R. No., Municipality and Postal Code

Domicile élu, y compris la rue et le numéro, le numéro de la R.R., ou le nom de la municipalité et le code postal

* JEFFREY
RUBY

YES

41 MARLBOROUGH AVENUE

TORONTO ONTARIO
CANADA M5R 1X5

Request ID / *Demande n°*

10315245

Ontario Corporation Number
Numéro de la compagnie en Ontario

2172351

5. 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 compagnie.

None

6. 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 compagnie est autorisée à émettre:

Unlimited

Request ID / *Demande n°*

10315245

Ontario Corporation Number
Numéro de la compagnie en Ontario

2172351

7. 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 que peut être émise en série:

None

Request ID / *Demande n°* 10315245

Ontario Corporation Number / *Numéro de la compagnie en Ontario* 2172361

8. 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 restreints. Les restrictions, s'il y a lieu, sont les suivantes:

None

Request ID / *Demande n°*	Ontario Corporation Number *Numéro de la compagnie en Ontario*
10316245	2172351

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

None

Request ID / *Demande n°* | Ontario Corporation Number / *Numéro de la compagnie en Ontario*

10315245 | 2172351

10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name or corporate name
Prénom, initiale et nom de famille ou dénomination sociale

Full address for service or address of registered office or of principal place of business giving street & No. or R.R. No., municipality and postal code
Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal

* JEFFREY RUBY

41 MARLBOROUGH AVENUE

TORONTO ONTARIO
CANADA M5R 1X5

Name of Corporation [illegible] Ontario Corporation Number [illegible]
[illegible] ONTARIO INC. [illegible]

ADDITIONAL INFORMATION FOR ELECTRONIC INCORPORATION

CONTACT PERSON

First Name	Last Name
JEFFREY	RUBY

Name of Law Firm

ADDRESS

Street #	Street Name	Suite #
12	LAWTON BLVD.	

Additional Information	City
	TORONTO

Province	Country	Postal Code
ONTARIO	CANADA	M4V 1Z4

TELEPHONE #: (416) 924-8860

Name of Corporation	Ontario Corporation Number
2172351 ONTARIO INC.	2172351
	Request ID
	10315245

ELECTRONIC INCORPORATION

TERMS AND CONDITIONS

The following are the terms and conditions for the electronic filing of Articles of Incorporation under the Ontario Business Corporations Act (OBCA) with the Ministry of Consumer and Business Services (MCBS), Companies and Personal Property Security Branch. Agreement to these terms and conditions by at least one of the incorporators listed in article 10 of the Articles of Incorporation is a mandatory requirement for electronic incorporation.

1) The applicant is required to obtain an Ontario biased or weighted NUANS search report for the proposed name. The applicant must provide the NUANS name searched, the NUANS reservation number and the date of the NUANS report. The NUANS report must be kept in electronic or paper format at the corporation's registered office address.

2) All first directors who are not incorporators, must sign a consent in the prescribed form. The original consent must be kept at the corporation's registered office address.

3) A Corporation acquiring a name identical to that of another corporation must indicate that due diligence has been exercised in verifying that the Corporation meets the requirements of Subsection 6(1) of Regulation 62 made under the OBCA. Otherwise, the Corporation is required to obtain a legal opinion on legal letterhead signed by a lawyer qualified to practise in Ontario that clearly indicates that the corporations involved comply with Subsection 6(2) of that Regulation by referring to each clause specifically. The original of this legal opinion must be kept at the Corporation's registered office address. The applicant must complete the electronic version of this legal opinion provided by one of the two Primary Service Providers under contract with the Ministry.

4) The date of the Certificate of Incorporation will be the date the articles are updated to the ONBIS electronic public record database. Articles submitted electronically outside MCBS, Companies and Personal Property Security Branch, ONBIS access hours, will receive an endorsement date effective the next business day when the system resumes operation,if the submitted Articles of Incorporation meet all requirements for electronic incorporation. Articles of Incorporation submitted during system difficulties will receive an endorsement date effective the date the articles are updated to the ONBIS system.

5) The electronic Articles of Incorporation must be in the format approved by the Ministry and submitted through one of the two Primary Service Providers under contract with the Ministry.

6) Upon receipt of the Certificate of Incorporation issued by the ONBIS system, a duplicate copy of the Articles of Incorporation with the Ontario Corporation Number and the Certificate of Incorporation must be kept in paper or electronic format. The Ministry will print and microfilm copies of the Certificate of Incorporation, the Articles of Incorporation and any other documentation submitted electronically. These will be considered the true original filed copies.

7) The sole responsibility for correctness and completeness of the Articles of Incorporation, and for compliance with the OBCA and all regulations made under it, lies with the incorporator(s) and/or their legal advisor(s), if any.

The incorporator(s) have read the above Terms and Conditions and they understand and agree to them.

I am an incorporator or I am duly authorized to represent and bind the incorporator(s).

First Name	Last Name
JEFFREY	RUBY

CYBERBAHN™

Cyberbahn Inc.
60 Adelaide Street East, 5th Floor
Toronto, Ontario, M5C 3E4
Tel.:(416)595-0522
Fax:(416)599-8163
Toll Free: 1-800-806-0003

NAME SEARCH REPORT

Attention: JOANA ANTUNES

Date: May 22, 2008

Proposed Name:	NEWTOPIA INC.
Jurisdiction:	Ontario
Purpose of Search:	Incorporation with share capital.
Nature of Business	RETAIL LIFESTYLE COACHING
Significance/Derivation of Key Word:	COINED WORD
Related Names:	

The proposed name <u>does not appear to be suitable</u> for use as a corporate name because it may be confused with existing tradenames or trademarks highlighted on the attached search report.

<u>NOTICE</u> - Cyberbahn Inc. assumes no liability for the use of any corporate name and the APPLICANT ASSUMES FULL RESPONSIBILITY for any losses suffered or resulting confusion with existing corporate names, business names and trade marks including but not limited to those set out in the attached search report, and for ensuring that the name complies with all applicable legal requirements.

Please see the attached Schedule A for important information regarding the currency of the databases on which this NUANS report is based.

Should you require additional information, please contact Cyberbahn.

Sincerely,

Cyberbahn Inc.

CONDITIONS OF SEARCH

The NUANS automated name search system is maintained by Industry Canada. A NUANS report is a minimum requirement for all Federal and Ontario corporate name selections (other than numbered corporate names) and does not ensure that the requested name complies with all applicable regulations. This report provided by Cyberbahn Inc. ("Cyberbahn") is based on information obtained from the NUANS automated name search system and interpretation of applicable government regulations and does not confer a right to name availability. The NUANS report is not exhaustive of all possible confusing or similar names. The NUANS database does not contain all names registered throughout Canada. Business Names registered in Newfoundland and Northwest Territory are not reflected in the NUANS database. The Province of Quebec has been removed from the NUANS database. Additional searches will be required in order to properly determine availability of a name in Canada. Other searches, including trade and telephone directories, should be considered. Full responsibility of name selection rests with the applicant and any corporation making use of the proposed name. Fees are for the NUANS report only; comments are not intended to be relied upon in selecting a name. This Search Report is provided "as is" without any warranties, conditions or representations of any kind, express or implied, statutory or otherwise. Cyberbahn shall not be liable for any direct, indirect, consequential, special or other damages in connection with this report whether arising in contract (including fundamental breach), TORT (including negligence) or otherwise.