



Ontario

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

**CERTIFICAT**  
Ce certifie que les présents  
statuts entrent en vigueur le

**JANUARY 01 JANVIER, 2019**

**5008371**

*Barbara Lockitt*

(17)

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

Form 4  
Business  
Corporations  
Act

Formule 4  
Loi sur les  
sociétés par  
actions

**ARTICLES OF AMALGAMATION  
STATUTS DE FUSION**

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

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S | Y | N | E | R | G | Y | N | O | R | T | H | C | O | R | P | O | R | A | T | I | O | N |
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|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

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

**34 Cumberland St. N.**

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

**Thunder Bay**

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

**ONTARIO**

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| P | 7 | A | 4 | L | 4 |
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Postal Code/Code postal

3. Number of directors is: Fixed number  OR minimum and maximum  1  10  
Nombre d'administrateurs: Nombre fixe  OU minimum et maximum  1  10

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

| First name, middle names and surname<br>Prénom, autres prénoms et nom de famille | Address for service, giving Street & No. or R.R. No., Municipality,<br>Province, Country and Postal Code<br>Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le<br>nom de la municipalité, la province, le pays et le code postal | Resident Canadian<br>State 'Yes' or 'No'<br>Résident canadien<br>Oui/Non |
|--|---|--|
| John McDougall   | 34 Cumberland St. N., Thunder Bay, Ontario, Canada<br>P7A 4L4   | Yes  |
| Deborah Humphreys  | 34 Cumberland St. N., Thunder Bay, Ontario, Canada<br>P7A 4L4   | Yes  |
| Hartley Multamaki  | 34 Cumberland St. N., Thunder Bay, Ontario, Canada<br>P7A 4L4   | Yes  |
| Barbara Eccles   | 34 Cumberland St. N, Thunder Bay, Ontario, Canada<br>P7A 4L4  | Yes  |

| First name, initials and surname<br><i>Prénom, initiales et nom de famille</i> | Address for service, giving Street & No. or R.R.<br>No., Municipality and Postal Code.<br><i>Domicile élu, y compris la rue et le<br/>numéro, le numéro de la R.R. ou le nom de la<br/>municipalité et le code postal</i> | Resident<br>Canadian<br>State<br>Yes or No<br><i>Résident<br/>Canadien<br/>Oui/Non</i> |
|--|---|--|
| Mark Bentz   | 34 Cumberland St. N., Thunder Bay, Ontario, Canada P7A 4L4  | Yes  |
| Art Leitch   | 34 Cumberland St. N., Thunder Bay, Ontario, Canada P7A 4L4  | Yes  |
| Denise Carpenter   | 34 Cumberland St. N., Thunder Bay, Ontario, Canada P7A 4L4  | Yes  |
| Gary Armstrong   | 34 Cumberland St. N., Thunder Bay, Ontario, Canada P7A 4L4  | Yes  |

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

A - Amalgamation Agreement / Convention de fusion :

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

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

or  
ou

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

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

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

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

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

| Names of amalgamating corporations<br>Dénomination sociale des sociétés qui fusionnent | Ontario Corporation Number<br>Numéro de la société en Ontario | Date of Adoption/Approval<br>Date d'adoption ou d'approbation |               |             |
|--|---|---|---------------|-------------|
|  |   | Year<br>année   | Month<br>mois | Day<br>jour |
| Thunder Bay Hydro Electricity Distribution Inc.  | 1446795   | 2018  | 12            | 31          |
| Kenora Hydro Electric Corporation Ltd.   | 1370546   | 2018  | 12            | 31          |

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

None

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

an unlimited number of shares to be designated as Common shares;  
an unlimited number of shares to be designated as Class S Shares;  
an unlimited number of shares to be designated as Class A Special Shares; and  
an unlimited number of shares to be designated as Class B Special Shares.

8. **Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:**  
*Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :*

**A. COMMON SHARES**

The following are the rights, privileges, restrictions and conditions attaching to the Common Shares:

1. **Voting Rights:** The holders of the Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and shall be entitled to one (1) vote per Common Share held, except meetings at which only holders of another class of shares are entitled to vote.
2. **Dividends:** The holders of the Common Shares shall be entitled to receive dividends if, 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 such amounts and payable in such manner as the board of directors may from time to time determine,
3. **Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares shall be entitled to participate rateably in any distribution of the assets of the Corporation remaining after payment to the holders of the Class A Special Shares and Class B Special Shares.

**B. CLASS S SHARES**

The following are the rights, privileges, restrictions and conditions attaching to the Class S Shares:

1. **Voting Rights:** The holders of the Class S Shares shall not be entitled to receive notice of, attend or vote at any meeting of the shareholders of the Corporation.
2. **Dividends:** The holders of the Class S Shares shall be entitled to receive dividends as and when declared from time to time by the board of directors of the Corporation out of the moneys of the Corporation properly applicable to the payment of dividends, and the amount per share of each such dividend shall be determined by the board of directors at the time of declaration. The board of directors may declare in its absolute discretion dividends on the Class S Shares in priority to or after dividends, if any, which may be declared or paid on the Common Shares, the Class A Special Shares, and the Class B Special Shares in the same amounts or in such differing amounts as they may decide, together with or wholly to the exclusion of any dividends which may be paid on the Common Shares, the Class A Special Shares, and the Class B Special Shares.

**Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Class S Shares shall, in priority to the rights of the holders of the Common Shares, the Class A Special Shares, and the Class B Special Shares, be entitled to participate rateably in any distribution of the Solar Assets, as such term is defined in the Merger Participation Agreement, or the distribution of any proceeds realized from the disposition of the Solar Assets, provided that such distribution shall be net of all liabilities and obligations pertaining to the Solar Assets and the disposition thereof, including liabilities and obligations which arise as a consequence of such distribution. After payment of such amounts to the holders of the Class S Shares, they shall not be entitled to share in any further distribution of the assets of the Corporation.

8. *Continued*

C. **CLASS A SPECIAL SHARES.**

The following are the rights, privileges, restrictions and conditions attaching to the Class A Special Shares:

1. **Voting Rights:** The holders of Class A Special Shares shall not be entitled to receive notice of, attend or vote at any meeting of the Corporation's shareholders.

2. **No Dividends:** The holders of the Class A Special Shares shall not be entitled to receive any dividend payable by the Corporation.

3. **Conversion at the Option of the Holder:** Subject to the terms of the Merger Participation Agreement, any registered holder of Class A Special Shares shall be entitled at such holder's option to have all of the Class A Special Shares held by such holder converted into Common Shares as the same shall be constituted at the time of conversion, upon the basis of a number of Common Shares equal to the Conversion Number (Class A Special) for each Class A Special Share in respect of which the conversion right is exercised; provided that on conversion of any Class A Special Shares, the holders thereof will not be entitled to any adjustment of dividends on such Class A Special Shares or on the Common Shares issuable on conversion. The conversion right provided for herein may be exercised by notice in writing given by any Class A Special shareholder to the Corporation at the registered office of the Corporation or to any transfer agent or registrar for the Class A Special Shares accompanied by the certificate or certificates representing the Class A Special Shares in respect of which the holder thereof desires to exercise such right of conversion, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Class A Special Shares in respect of which such right is being exercised and shall specify that the holder desires to have all such Class A Special Shares converted. The holder shall pay any governmental, transfer or other tax imposed in respect of such transaction. Upon receipt of such notice the Corporation shall issue certificates representing the Common Shares upon the basis above prescribed and in accordance with the provisions hereof to the registered holder of the Class A Special Shares represented by the certificate or certificates accompanying such notice. All Common Shares resulting from any conversion provided for herein shall be fully paid and non-assessable.

"Conversion Number (Class A Special)", for each Class A Special Share, means a number of Common Shares of the Corporation equal to the Class A Special Number, as determined pursuant to section 2.2 of the Merger Participation Agreement, divided by the aggregate number of Class A Special Shares issued to all holders of Class A Special Shares pursuant to section 2.1 of the Merger Participation Agreement, provided that if the Class A Special Number is negative, zero or cannot be calculated, the Conversion Number (Class A Special) for each Class A Special Share shall be zero.

"Merger Participation Agreement" means the merger participation agreement dated March 9, 2018 among The Corporation of the City of Kenora, Thunder Bay Hydro Corporation, Kenora Hydro Electric Corporation Ltd., and Thunder Bay Hydro Electricity Distribution Inc.

4. **Redemption at the Option of the Holder:** Subject to the terms of the Merger Participation Agreement, any registered holder of Class A Special Shares may, at their option, upon giving notice as hereinafter described, require the Corporation, at any time or times to redeem all of the Class A Special Shares held by such holder, and the Corporation shall pay to such holder for each such Class A Special Share which the holder requires to be redeemed an amount equal to the Redemption Amount (as defined below). The redemption right provided for herein may be exercised by notice in writing given by any Class A Special shareholder to the Corporation at the registered office of the Corporation or to any transfer agent or registrar for the Class A Special Shares accompanied by the certificate or certificates representing the Class A Special Shares in respect of which the holder thereof desires to exercise such right of redemption, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Class A Special Shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify that the holder desires to have all such Class A Special Shares redeemed. The holder shall pay any governmental, transfer or other tax imposed in respect of such redemption. On the date following 30 days from the date of receipt of such notice by the Corporation, the Corporation shall pay or cause to be paid to the order of the holder of such Class A Special Shares the aggregate Redemption Amount in respect of the Class A Special Shares to be redeemed as specified in the notice.

8. *Continued*

"Redemption Amount", for each Class A Special Share, means an amount equal to \$1.00 divided by the aggregate number of Class A Special Shares issued to all holders of Class A Special Shares pursuant to section 2.1 of the Merger Participation Agreement.

5. **Redemption by Corporation:** Subject to the terms of the Merger Participation Agreement, the Corporation may, upon giving notice as hereinafter provided, redeem at any time and from time to time all of the then outstanding Class A Special Shares on payment of the Redemption Amount for each share to be redeemed.

**Idem:** In the case of redemption of Class A Special Shares by the Corporation, the Corporation shall, at least 30 days before the intended redemption date, mail to each person who at the date of mailing is a holder of the Class A Special Shares to be redeemed, a notice in writing of the intention of the Corporation to redeem such shares. Such notice shall be mailed by prepaid mail, addressed to each such holder at its address as it appears on the records of the Corporation or in the event of the address of any such holder not so appearing, then to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the date on which redemption is to take place. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the holders of the Class A Special Shares to be redeemed the aggregate Redemption Amount for the Class A Special Shares called for redemption upon presentation and surrender at the registered office of the Corporation, or any other place designated in such notice, of the certificates representing the Class A Special Shares called for redemption. Such payment by the Corporation shall be made by way of a cheque payable at par at any branch of the Corporation's bankers in Canada. From and after the date specified for redemption in any such notice, the holders of the Class A Special Shares called for redemption shall cease to be entitled to any of the rights of holders of Class A Special Shares in respect thereof, unless payment of the Redemption Amount for each Class A Special Share to be redeemed is not made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders of the said Class A Special Shares shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem the Class A Special Shares to deposit the aggregate Redemption Amount of the shares so called for redemption, or of such of the said shares represented by certificates as, have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account in any chartered bank or in any trust company in Canada, named, in such notice, to be paid without interest to or to the order of the respective holders of such Class A Special Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same, and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class A Special Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Amount so deposited against presentation and surrender of the said certificates held by them respectively and any interest allowed on such deposit shall belong to the Corporation.

6. **Notice:** Where notice is required by the provisions hereof to be sent, the notice or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

7. **Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Class A Special Shares shall not be entitled to share in any distribution of the assets of the Corporation.

#### D. CLASS B SPECIAL SHARES

The following are the rights, privileges, restrictions and conditions attaching to the Class B Special Shares:

1. **Voting Rights:** The holders of Class B Special Shares shall not be entitled to receive notice of, attend or vote at any meeting of the Corporation's shareholders.
2. **No Dividends:** The holders of the Class B Special Shares shall not be entitled to receive any dividend payable by the Corporation.

8. *Continued*

3. **Conversion at the Option of the Holder:** Subject to the terms of the Merger Participation Agreement, any registered holder of Class B Special Shares shall be entitled at such holder's option to have all of the Class B Special Shares held by such holder converted into Common Shares as the same shall be constituted at the time of conversion, upon the basis of a number of Common Shares equal to the Conversion Number (Class B Special) for each Class B Special Share in respect of which the conversion right is exercised; provided that on conversion of any Class B Special Shares, the holders thereof will not be entitled to any adjustment of dividends on such Class B Special Shares or on the Common Shares issuable on conversion. The conversion right provided for herein may be exercised by notice in writing given by any Class B Special shareholder to the Corporation at the registered office of the Corporation or to any transfer agent or registrar for the Class B Special Shares accompanied by the certificate or certificates representing the Class B Special Shares in respect of which the holder thereof desires to exercise such right of conversion, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Class B Special Shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify that the holder desires to have all such Class B Special Shares converted. The holder shall pay any governmental, transfer or other tax imposed in respect of such transaction. Upon receipt of such notice the Corporation shall issue certificates representing the Common Shares upon the basis above prescribed and in accordance with the provisions hereof to the registered holder of the Class B Special Shares represented by the certificate or certificates accompanying such notice. All Common Shares resulting from any conversion provided for herein shall be fully paid and non-assessable.

"Conversion Number (Class B Special)", for each Class B Special Share, means a number of Common Shares of the Corporation equal to the Class B Special Number, as determined pursuant to section 2.2 of the Merger Participation Agreement, divided by the aggregate number of Class B Special Shares issued to all holders of Class B Special Shares pursuant to section 2.1 of the Merger Participation Agreement, provided that if the Class B Special Number is negative, zero, or cannot be calculated, then the Conversion Number (Class B Special) for each Class B Special Share shall be zero.

4. **Redemption at the Option of the Holder:** Subject to the terms of the Merger Participation Agreement, any registered holder of Class B Special Shares may, at their option, upon giving notice as hereinafter described, require the Corporation, at any time or times to redeem all of the Class B Special Shares held by such holder, and the Corporation shall pay to such holder for each such Class B Special Share which the holder requires to be redeemed an amount equal to the Redemption Amount (as defined below). The redemption right provided for herein may be exercised by notice in writing given by any Class B Special shareholder to the Corporation at the registered office of the Corporation or to any transfer agent or registrar for the Class B Special Shares accompanied by the certificate or certificates representing the Class B Special Shares in respect of which the holder thereof desires to exercise such right of redemption, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Class B Special Shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify that the holder desires to have all such Class B Special Shares redeemed. The holder shall pay any governmental, transfer or other tax imposed in respect of such redemption. On the date following 30 days from the date of receipt of such notice by the Corporation, the Corporation shall pay or cause to be paid to the order of the holder of such Class B Special Shares the aggregate Redemption Amount in respect of the Class B Special Shares to be redeemed as specified in the notice.

"Redemption Amount", for each Class B Special Share, means an amount equal to \$1.00 divided by the aggregate number of Class B Special Shares issued to all holders of Class B Special Shares pursuant to section 2.1 of the Merger Participation Agreement.

5. **Redemption by Corporation:** Subject to the terms of the Merger Participation Agreement, the Corporation may, upon giving notice as hereinafter provided, redeem at any time and from time to time all of the then outstanding Class B Special Shares on payment of the Redemption Amount for each share to be redeemed.

**Idem:** In the case of redemption of Class B Special Shares by the Corporation, the Corporation shall, at least 30 days before the intended redemption date, mail to each person who at the date of mailing is a holder of the Class B Special Shares to be redeemed, a notice in writing of the intention of the Corporation to redeem such shares. Such notice shall be mailed by prepaid mail, addressed to each such holder at its address as it appears on the records of the Corporation or in the event of the address of any such holder not so appearing, then to the last



8. *Continued*

known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the date on which redemption is to take place. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the holders of the Class B Special Shares to be redeemed the aggregate Redemption Amount for the Class B Special Shares called for redemption upon presentation and surrender at the registered office of the Corporation, or any other place designated in such notice, of the certificates representing the Class B Special Shares called for redemption. Such payment by the Corporation shall be made by way of a cheque payable at par at any branch of the Corporation's bankers in Canada. From and after the date specified for redemption in any such notice, the holders of the Class B Special Shares called for redemption shall cease to be entitled to any of the rights of holders of Class B Special Shares in respect thereof, unless payment of the Redemption Amount for each Class B Special Share to be redeemed is not made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders of the said Class B Special Shares shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem the Class B Special Shares to deposit the aggregate Redemption Amount of the shares so called for redemption, or of such of the said shares represented by certificates as, have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account in any chartered bank or in any trust company in Canada, named, in such notice, to be paid without interest to or to the order of the respective holders of such Class B Special Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same, and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class B Special Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Amount so deposited against presentation and surrender of the said certificates held by them respectively and any interest allowed on such deposit shall belong to the Corporation.

6. **Notice:** Where notice is required by the provisions hereof to be sent, the notice of the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

7. **Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Class B Special Shares shall not be entitled to share in any distribution of the assets of the Corporation.

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

The right to transfer securities of the Corporation (other than debt securities that are not convertible into shares of the Corporation) shall be restricted in that no holder of such securities shall be entitled to transfer any such securities without either:

(a) if the transfer of such securities is restricted by any security holders' agreement, complying with such restrictions in such agreement; or

(b) if there are no such restrictions, either:

(i) the express sanction of the holders of more than 50% of the voting shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares; or

(ii) the express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or signed by all of the directors entitled to vote on that resolution at a meeting of directors.

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

None

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".  
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.
12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".  
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

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

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

Thunder Bay Hydro Electricity Distribution Inc.

Names of Corporations / Dénomination sociale des sociétés

By / Par



Robert Mace

President

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

Kenora Hydro Electric Corporation Ltd.

Names of Corporations / Dénomination sociale des sociétés

By / Par

David Sinclair

President

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature

Print name of signatory /  
Nom du signataire en lettres moulées

Description of Office / Fonction

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

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

Thunder Bay Hydro Electricity Distribution Inc.

Names of Corporations / Dénomination sociale des sociétés

By / Par

|                                |   |  |
|--------------------------------|---|--|
| _____<br>Signature / Signature | Robert Mace<br>_____<br>Print name of signatory /<br>Nom du signataire en lettres moulées | _____<br>President<br>Description of Office / Fonction |
|--------------------------------|---|--|

Kenora Hydro Electric Corporation Ltd.

Names of Corporations / Dénomination sociale des sociétés

By / Par



|                                |  |  |
|--------------------------------|--|--|
| _____<br>Signature / Signature | David Sinclair<br>_____<br>Print name of signatory /<br>Nom du signataire en lettres moulées | _____<br>President<br>Description of Office / Fonction |
|--------------------------------|--|--|

Names of Corporations / Dénomination sociale des sociétés

By / Par

|                                |  |   |
|--------------------------------|--|---|
| _____<br>Signature / Signature | _____<br>Print name of signatory /<br>Nom du signataire en lettres moulées | _____<br>Description of Office / Fonction |
|--------------------------------|--|---|

Names of Corporations / Dénomination sociale des sociétés

By / Par

|                                |  |   |
|--------------------------------|--|---|
| _____<br>Signature / Signature | _____<br>Print name of signatory /<br>Nom du signataire en lettres moulées | _____<br>Description of Office / Fonction |
|--------------------------------|--|---|

Names of Corporations / Dénomination sociale des sociétés

By / Par

|                                |  |   |
|--------------------------------|--|---|
| _____<br>Signature / Signature | _____<br>Print name of signatory /<br>Nom du signataire en lettres moulées | _____<br>Description of Office / Fonction |
|--------------------------------|--|---|

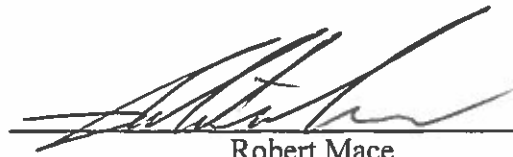
**SCHEDULE A**

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

I, Robert Mace, of the City of Thunder Bay in the Province of Ontario, hereby state as follows:

1. This Statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario), (the "Act").
2. I am a director and officer of Thunder Bay Hydro Electricity Distribution Inc. (the "Corporation") and as such have knowledge of its affairs.
3. I have conducted such examinations of the books and records of the Corporation as are necessary to enable me to make the statements set forth below.
4. There are reasonable grounds for believing that:
  - (a) the amalgamating Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due; and
  - (b) the realizable value of the amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.
5. There are reasonable grounds for believing that no creditor of the Corporation will be prejudiced by the Amalgamation.
6. The Corporation has not been notified by any creditor that it objects to the Amalgamation.

This Statement is made this 31<sup>st</sup> day of December, 2018.

  
\_\_\_\_\_  
Robert Mace

**SCHEDULE A**

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

I, David Sinclair, of the City of Kenora in the Province of Ontario, hereby state as follows:

1. This Statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario), (the "Act").
2. I am a director and officer of Kenora Hydro Electric Corporation Ltd. (the "Corporation") and as such have knowledge of its affairs.
3. I have conducted such examinations of the books and records of the Corporation as are necessary to enable me to make the statements set forth below.
4. There are reasonable grounds for believing that:
  - (a) the amalgamating Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due; and
  - (b) the realizable value of the amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.
5. There are reasonable grounds for believing that no creditor of the Corporation will be prejudiced by the Amalgamation.
6. The Corporation has not been notified by any creditor that it objects to the Amalgamation.

This Statement is made this 31<sup>st</sup> day of December, 2018.



---

David Sinclair

## SCHEDULE B

### AMALGAMATION AGREEMENT

THIS AGREEMENT dated as of December 31, 2018

BETWEEN:

**KENORA HYDRO ELECTRIC CORPORATION LTD.**  
("Amalgamating Corporation 1")

- and -

**THUNDER BAY HYDRO ELECTRICITY DISTRIBUTION INC.**  
("Amalgamating Corporation 2")

RECITALS:

- A. Each of Amalgamating Corporation 1 and Amalgamating Corporation 2 is a corporation existing under the *Business Corporations Act* (Ontario).
- B. The authorized capital of Amalgamating Corporation 1 consists of an unlimited number of Class A shares, an unlimited number of Class B shares, an unlimited number of Class C shares, and an unlimited number of Class D shares, of which 2,250,000 Class A shares, 4,464,499.25 Class C shares and 1,000 Class D shares are issued and outstanding as fully paid and non-assessable shares of Amalgamating Corporation 1.
- C. The authorized capital of Amalgamating Corporation 2 consists of an unlimited number of Common shares and an unlimited number of Class A Common shares, of which 951,000 Common shares and 7,000,000 Class A Common shares are issued and outstanding as fully-paid and non-assessable shares of Amalgamating Corporation 2.
- D. Amalgamating Corporation 1 and Amalgamating Corporation 2 wish to amalgamate under section 174 of the Act.

IN CONSIDERATION of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

#### 1. INTERPRETATION

1.1 Capitalized terms not defined herein shall have the meaning given to them in the Merger Participation Agreement, and otherwise in this Agreement, including the Recitals to this Agreement, unless the context otherwise requires:

- (a) "Act" means the *Business Corporations Act* (Ontario).

- (b) **“Agreement”** means this amalgamation agreement, including all Schedules to this amalgamation agreement, as amended from time to time in accordance with its provisions.
- (c) **“Amalgamated Corporation”** has the meaning ascribed to that term in Section 2.
- (d) **“Amalgamating Corporation 1”** means Kenora Hydro Electric Corporation Ltd., a corporation existing under the Act.
- (e) **“Amalgamating Corporation 2”** means Thunder Bay Hydro Electricity Distribution Inc., a corporation existing under the Act.
- (f) **“Amalgamating Corporations”** means Amalgamating Corporation 1 and Amalgamating Corporation 2, and **“Amalgamating Corporation”** means either one of them.
- (g) **“Effective Date”** means the date set out on the certificate endorsed by the Director appointed under the Act on the articles of amalgamation giving effect to the Amalgamation.
- (h) **“Kenora”** means The Corporation of the City of Kenora.
- (i) **“Merger Participation Agreement”** means the merger participation agreement dated March 9, 2018 among Kenora, TB Holdco, Amalgamating Corporation 1, and Amalgamation Corporation 2.
- (j) **“Parties”** means collectively Amalgamating Corporation 1 and Amalgamating Corporation 2, and **“Party”** means either one of them.
- (k) **“Tax Act”** means the Income Tax Act (Canada).
- (l) **“TB Holdco”** means Thunder Bay Hydro Corporation.

1.2 In this Agreement:

- (a) the division into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (b) the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular portion of this Agreement; and
- (c) unless specified otherwise or the context otherwise requires:
  - (i) references to any Section are references to the Section of this Agreement;



- (ii) “including” or “includes” means “including (or includes) but is not limited to” and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
- (iii) references to any legislation, statutory instrument or regulation or a section thereof, unless otherwise specified, is a reference to the legislation, statutory instrument, regulation or section as amended, restated and re-enacted from time to time; and
- (iv) words in the singular include the plural and vice-versa and words in one gender include all genders.

1.3 The following schedules are attached to and form part of this Agreement:

Schedule 1 – Share Capital

2. **AMALGAMATION**

Subject to the provisions of this Agreement, the Amalgamating Corporations agree to amalgamate under section 174 of the Act and continue as one corporation (the “**Amalgamated Corporation**”) on the Effective Date.

3. **NAME**

The name of the Amalgamated Corporation shall be “Synergy North Corporation”.

4. **REGISTERED OFFICE**

The registered office of the Amalgamated Corporation shall be in the province of Ontario and shall be located at 34 Cumberland St N, Thunder Bay, Ontario P7A 4L4.

5. **RESTRICTIONS ON BUSINESS**

There shall be no restrictions on the business that the Amalgamated Corporation may carry on or the powers that the Amalgamated Corporation may exercise.

6. **SHARE CAPITAL**

6.1 The Amalgamated Corporation is authorized to issue an unlimited number of shares to be designated as Common shares, an unlimited number of shares to be designated as Class S Shares, an unlimited number of shares to be designated as Class A Special Shares, and an unlimited number of shares to be designated as Class B Special Shares.

6.2 The rights, privileges, restrictions and conditions attaching to each class of shares are set out in Schedule 1.

## **7. RESTRICTIONS ON SHARE TRANSFERS**

The right to transfer securities of the Amalgamated Corporation (other than debt securities that are not convertible into shares of the Corporation) shall be restricted in that no holder of such securities shall be entitled to transfer any such securities without either:

- (a) if the transfer of such securities is restricted by any security holders' agreement, complying with such restrictions in such agreement; or
- (b) if there are no such restrictions, either:
  - (i) the express sanction of the holders of more than 50% of the voting shares of the Amalgamated Corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares; or
  - (ii) the express sanction of the directors of the Amalgamated Corporation expressed by a resolution passed by the votes of a majority of the directors of the Amalgamated Corporation at a meeting of the board of directors or signed by all of the directors entitled to vote on that resolution at a meeting of directors.

## **8. OTHER PROVISIONS**

8.1 There shall be no other provisions contained in the articles of the Amalgamated Corporation.

## **9. EXCHANGE OF SHARES**

9.1 On the amalgamation becoming effective:

- (a) the 2,250,000 issued and fully-paid Class A shares, 4,464,499.25 issued and fully-paid Class C shares, and 1,000 issued and fully-paid Class D shares of Amalgamating Corporation 1 held by Kenora shall be exchanged into 9,100 issued, fully-paid and non-assessable Common Shares and one (1) issued, fully-paid and non-assessable Class A Special Share of the Amalgamated Corporation; and
- (b) the 951,000 issued and fully-paid Common Shares and 7,000,000 issued and fully-paid Class A Common shares of Amalgamating Corporation 2 held by TB Holdco shall be exchanged into 90,900 issued, fully-paid and non-assessable Common Shares, 1,000 issued, fully-paid and non-assessable Class S Shares, and one (1) issued, fully-paid and non-assessable Class B Special Share of the Amalgamated Corporation.

9.2 The stated capital attributable to the:

- (a) Common Shares issuable pursuant to Section 9.1 above upon the exchange of shares of Amalgamating Corporation 1 and Amalgamating Corporation 2 shall be

the aggregate paid-up capital, within the meaning of the Tax Act, of 2,250,000 issued and fully-paid Class A shares, 4,464,499.25 issued and fully-paid Class C shares, and 1,000 issued and fully-paid Class D shares of Amalgamating Corporation 1 and 951,000 issued and fully-paid Common Shares and 7,000,000 issued and fully-paid Class A Common shares of Amalgamating Corporation 2, each immediately before the effective date set out in Section 2, less \$2.00;

- (b) Class A Special Shares issuable pursuant to Section 9.1 above upon the exchange of shares of Amalgamating Corporation 1 shall be \$1.00;
- (c) Class S Shares issuable pursuant to Section 9.1 above upon the exchange of shares of Amalgamating Corporation 2 shall be \$1.00; and
- (d) Class B Special Shares issuable pursuant to Section 9.1 above upon the exchange of shares of Amalgamating Corporation 2 shall be \$1.00.

**10. REPLACEMENT SHARE CERTIFICATES**

10.1 The shareholders of the Amalgamating Corporations shall surrender for cancellation the certificates representing the shares of the Amalgamating Corporations held by them immediately prior to the Amalgamation in exchange for certificates representing the shares of the Amalgamated Corporation into which such shares were converted.

**11. DIRECTORS AND OFFICERS**

11.1 The Articles of the Amalgamated Corporation shall provide for the board of the Amalgamated Corporation to have a minimum number of one (1) director and a maximum number of ten (10) directors. The initial number of directors of the Amalgamated Corporation shall be eight (8). Other than the initial board, the size and appointment of the board of the Amalgamated Corporation shall be determined in accordance with any unanimous shareholders agreement in effect with respect to the Amalgamated Corporation and the Act.

11.2 The first directors of the Amalgamated Corporation shall be the following individuals:

| <u>Name</u>      | <u>Address for Service</u>                             | <u>Resident Canadian</u> |
|------------------|--|--------------------------|
| Gary Armstrong   | 34 Cumberland St N,<br>Thunder Bay, Ontario<br>P7A 4L4 | Yes                      |
| Mark Bentz       | 34 Cumberland St N,<br>Thunder Bay, Ontario<br>P7A 4L4 | Yes                      |
| Denise Carpenter | 34 Cumberland St N,<br>Thunder Bay, Ontario<br>P7A 4L4 | Yes                      |

|                   |  |     |
|-------------------|--|-----|
| Barbara Eccles    | 34 Cumberland St N,<br>Thunder Bay, Ontario<br>P7A 4L4 | Yes |
| Deborah Humphreys | 34 Cumberland St N,<br>Thunder Bay, Ontario<br>P7A 4L4 | Yes |
| Art Leitch        | 34 Cumberland St N,<br>Thunder Bay, Ontario<br>P7A 4L4 | Yes |
| Hartley Multamaki | 34 Cumberland St N,<br>Thunder Bay, Ontario<br>P7A 4L4 | Yes |
| John McDougall    | 34 Cumberland St N,<br>Thunder Bay, Ontario<br>P7A 4L4 | Yes |

11.3 The first directors named above shall hold office until the first meeting of shareholders of the Amalgamated Corporation or until their successors are elected or appointed.

11.4 The officers of the Amalgamated Corporation shall be the following individuals to hold office at the pleasure of the Board of Directors or until their resignation, whichever occurs first.

| <u>Name</u>    | <u>Office</u>                 |
|----------------|-------------------------------|
| Robert Mace    | President and Board Secretary |
| Cindy Speziale | Treasurer                     |
| Gary Armstrong | Board Chair                   |

## 12. BY-LAWS

The by-laws of the Amalgamated Corporation shall consist of By-law 1, a copy of which has been provided to the directors and shareholders of each Amalgamating Corporation in connection with their approval of this amalgamation agreement and the amalgamation provided for herein. A copy of the proposed By-law 1 may be examined at the registered office of the Amalgamated Corporation.

## 13. FURTHER ASSURANCES

Each Party shall promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters in connection with this Agreement that the other Party may reasonably require, for the purposes of giving effect to this Agreement, including completing and sending the documents required under section 178 of the Act to the Director under the Act.

**14. TERMINATION**

At any time before the endorsement of a Certificate of Amalgamation under the Act, this Agreement may be terminated by the board of directors of any of the Amalgamating Corporations despite the approval of this Agreement by the shareholders of all or any of the Amalgamating Corporations.

**15. AMENDMENT**

This Agreement may be amended by an agreement in writing signed by each of the Amalgamating Corporations, provided the amendment is approved by a special resolution of the shareholders of each of the Amalgamating Corporations.

**16. ENUREMENT**

This Agreement shall enure to the benefit of and be binding on respective successors. This Agreement may not be assigned by either Party.

**17. GOVERNING LAW**

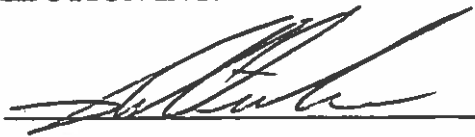
This Agreement and any dispute, arising from or in relation to this Agreement shall be governed by, and interpreted and enforced in accordance with, the law of the province of Ontario and the laws of Canada applicable in that province.

**18. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one agreement. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including without limitation in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

*[Remainder of this page intentionally left blank]*

**THUNDER BAY HYDRO ELECTRICITY  
DISTRIBUTION INC.**

By:  \_\_\_\_\_

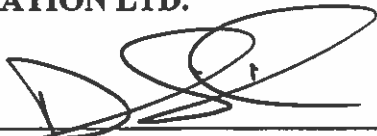
**KENORA HYDRO ELECTRIC  
CORPORATION LTD.**

By: \_\_\_\_\_

**THUNDER BAY HYDRO ELECTRICITY  
DISTRIBUTION INC.**

By: \_\_\_\_\_

**KENORA HYDRO ELECTRIC  
CORPORATION LTD.**

By:  \_\_\_\_\_

**Schedule 1  
Share Capital**

**A. COMMON SHARES**

The following are the rights, privileges, restrictions and conditions attaching to the Common Shares:

1. **Voting Rights:** The holders of the Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and shall be entitled to one (1) vote per Common Share held, except meetings at which only holders of another class of shares are entitled to vote.
2. **Dividends:** The holders of the Common Shares shall be entitled to receive dividends if, 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 such amounts and payable in such manner as the board of directors may from time to time determine,
3. **Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares shall be entitled to participate rateably in any distribution of the assets of the Corporation remaining after payment to the holders of the Class A Special Shares and Class B Special Shares.

**B. CLASS S SHARES**

The following are the rights, privileges, restrictions and conditions attaching to the Class S Shares:

1. **Non-Voting:** The holders of the Class S Shares shall not be entitled to receive notice of, attend or vote at any meeting of the shareholders of the Corporation.
2. **Dividends:** The holders of the Class S Shares shall be entitled to receive dividends as and when declared from time to time by the board of directors of the Corporation out of the moneys of the Corporation properly applicable to the payment of dividends, and the amount per share of each such dividend shall be determined by the board of directors at the time of declaration. The board of directors may declare in its absolute discretion dividends on the Class S Shares in priority to or after dividends, if any, which may be declared or paid on the Common Shares, the Class A Special Shares, and the Class B Special Shares in the same amounts or in such differing amounts as they may decide, together with or wholly to the exclusion of any dividends which may be paid on the Common Shares, the Class A Special Shares, and the Class B Special Shares.
3. **Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Class S Shares shall, in priority to the rights of the holders of the Common Shares, the Class A Special Shares, and the Class B Special Shares, be entitled to participate rateably in any distribution of the Solar Assets, as such term is defined in the Merger Participation Agreement, or



the distribution of any proceeds realized from the disposition of the Solar Assets, provided that such distribution shall be net of all liabilities and obligations pertaining to the Solar Assets and the disposition thereof, including liabilities and obligations which arise as a consequence of such distribution. After payment of such amounts to the holders of the Class S Shares, they shall not be entitled to share in any further distribution of the assets of the Corporation.

### C. CLASS A SPECIAL SHARES.

The following are the rights, privileges, restrictions and conditions attaching to the Class A Special Shares:

1. **Voting Rights:** The holders of Class A Special Shares shall not be entitled to receive notice of, attend or vote at any meeting of the Corporation's shareholders.
2. **No Dividends:** The holders of the Class A Special Shares shall not be entitled to receive any dividend payable by the Corporation.
3. **Conversion at the Option of the Holder:** Subject to the terms of the Merger Participation Agreement, any registered holder of Class A Special Shares shall be entitled at such holder's option to have all of the Class A Special Shares held by such holder converted into Common Shares as the same shall be constituted at the time of conversion, upon the basis of a number of Common Shares equal to the Conversion Number (Class A Special) for each Class A Special Share in respect of which the conversion right is exercised; provided that on conversion of any Class A Special Shares, the holders thereof will not be entitled to any adjustment of dividends on such Class A Special Shares or on the Common Shares issuable on conversion. The conversion right provided for herein may be exercised by notice in writing given by any Class A Special shareholder to the Corporation at the registered office of the Corporation or to any transfer agent or registrar for the Class A Special Shares accompanied by the certificate or certificates representing the Class A Special Shares in respect of which the holder thereof desires to exercise such right of conversion, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Class A Special Shares in respect of which such right is being exercised and shall specify that the holder desires to have all such Class A Special Shares converted. The holder shall pay any governmental, transfer or other tax imposed in respect of such transaction. Upon receipt of such notice the Corporation shall issue certificates representing the Common Shares upon the basis above prescribed and in accordance with the provisions hereof to the registered holder of the Class A Special Shares represented by the certificate or certificates accompanying such notice. All Common Shares resulting from any conversion provided for herein shall be fully paid and non-assessable.

"**Conversion Number (Class A Special)**", for each Class A Special Share, means a number of Common Shares of the Corporation equal to the Class A Special Number, as determined pursuant to section 2.2 of the Merger Participation Agreement, divided by the aggregate number of Class A Special Shares issued to all holders of Class A Special Shares pursuant to section 2.1 of the Merger Participation Agreement, provided that if the Class A Special Number is negative, zero or cannot be calculated, the Conversion Number (Class A Special) for each Class A Special Share shall be zero.

**“Merger Participation Agreement”** means the merger participation agreement dated March 9, 2018 among The Corporation of the City of Kenora, Thunder Bay Hydro Corporation, Kenora Hydro Electric Corporation Ltd., and Thunder Bay Hydro Electricity Distribution Inc.

4. **Redemption at the Option of the Holder:** Subject to the terms of the Merger Participation Agreement, any registered holder of Class A Special Shares may, at their option, upon giving notice as hereinafter described, require the Corporation, at any time or times to redeem all of the Class A Special Shares held by such holder, and the Corporation shall pay to such holder for each such Class A Special Share which the holder requires to be redeemed an amount equal to the Redemption Amount (as defined below). The redemption right provided for herein may be exercised by notice in writing given by any Class A Special shareholder to the Corporation at the registered office of the Corporation or to any transfer agent or registrar for the Class A Special Shares accompanied by the certificate or certificates representing the Class A Special Shares in respect of which the holder thereof desires to exercise such right of redemption, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Class A Special Shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify that the holder desires to have all such Class A Special Shares redeemed. The holder shall pay any governmental, transfer or other tax imposed in respect of such redemption. On the date following 30 days from the date of receipt of such notice by the Corporation, the Corporation shall pay or cause to be paid to the order of the holder of such Class A Special Shares the aggregate Redemption Amount in respect of the Class A Special Shares to be redeemed as specified in the notice.

**“Redemption Amount”**, for each Class A Special Share, means an amount equal to \$1.00 divided by the aggregate number of Class A Special Shares issued to all holders of Class A Special Shares pursuant to section 2.1 of the Merger Participation Agreement.

5. **Redemption by Corporation:** Subject to the terms of the Merger Participation Agreement, the Corporation may, upon giving notice as hereinafter provided, redeem at any time and from time to time all of the then outstanding Class A Special Shares on payment of the Redemption Amount for each share to be redeemed.

Idem: In the case of redemption of Class A Special Shares by the Corporation, the Corporation shall, at least 30 days before the intended redemption date, mail to each person who at the date of mailing is a holder of the Class A Special Shares to be redeemed, a notice in writing of the intention of the Corporation to redeem such shares. Such notice shall be mailed by prepaid mail, addressed to each such holder at its address as it appears on the records of the Corporation or in the event of the address of any such holder not so appearing, then to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the date on which redemption is to take place. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the holders of the Class A Special Shares to be redeemed the aggregate Redemption Amount for the Class A Special Shares called for redemption upon presentation and surrender at the registered office of the Corporation, or any other place designated in such notice, of the certificates representing the Class A Special Shares called for redemption. Such payment by the Corporation shall be made by way of a cheque payable at par at any branch of the Corporation’s bankers in

Canada. From and after the date specified for redemption in any such notice, the holders of the Class A Special Shares called for redemption shall cease to be entitled to any of the rights of holders of Class A Special Shares in respect thereof, unless payment of the Redemption Amount for each Class A Special Share to be redeemed is not made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders of the said Class A Special Shares shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem the Class A Special Shares to deposit the aggregate Redemption Amount of the shares so called for redemption, or of such of the said shares represented by certificates as, have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account in any chartered bank or in any trust company in Canada, named, in such notice, to be paid without interest to or to the order of the respective holders of such Class A Special Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same, and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class A Special Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Amount so deposited against presentation and surrender of the said certificates held by them respectively and any interest allowed on such deposit shall belong to the Corporation.

6. **Notice:** Where notice is required by the provisions hereof to be sent, the notice or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

7. **Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Class A Special Shares shall not be entitled to share in any distribution of the assets of the Corporation.

#### **D. CLASS B SPECIAL SHARES**

The following are the rights, privileges, restrictions and conditions attaching to the Class B Special Shares:

1. **Voting Rights:** The holders of Class B Special Shares shall not be entitled to receive notice of, attend or vote at any meeting of the Corporation's shareholders.

2. **No Dividends:** The holders of the Class B Special Shares shall not be entitled to receive any dividend payable by the Corporation.

3. **Conversion at the Option of the Holder:** Subject to the terms of the Merger Participation Agreement, any registered holder of Class B Special Shares shall be entitled at such holder's option to have all of the Class B Special Shares held by such holder converted into Common Shares as the same shall be constituted at the time of conversion, upon the basis of a number of Common Shares equal to the Conversion Number (Class B Special) for each Class B Special Share in respect of which the conversion right is exercised; provided that on conversion of any Class B Special Shares, the holders thereof will not be entitled to any adjustment of dividends on

such Class B Special Shares or on the Common Shares issuable on conversion. The conversion right provided for herein may be exercised by notice in writing given by any Class B Special shareholder to the Corporation at the registered office of the Corporation or to any transfer agent or registrar for the Class B Special Shares accompanied by the certificate or certificates representing the Class B Special Shares in respect of which the holder thereof desires to exercise such right of conversion, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Class B Special Shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify that the holder desires to have all such Class B Special Shares converted. The holder shall pay any governmental, transfer or other tax imposed in respect of such transaction. Upon receipt of such notice the Corporation shall issue certificates representing the Common Shares upon the basis above prescribed and in accordance with the provisions hereof to the registered holder of the Class B Special Shares represented by the certificate or certificates accompanying such notice. All Common Shares resulting from any conversion provided for herein shall be fully paid and non-assessable.

**“Conversion Number (Class B Special)”**, for each Class B Special Share, means a number of Common Shares of the Corporation equal to the Class B Special Number, as determined pursuant to section 2.2 of the Merger Participation Agreement, divided by the aggregate number of Class B Special Shares issued to all holders of Class B Special Shares pursuant to section 2.1 of the Merger Participation Agreement, provided that if the Class B Special Number is negative, zero, or cannot be calculated, then the Conversion Number (Class B Special) for each Class B Special Share shall be zero.

4. **Redemption at the Option of the Holder:** Subject to the terms of the Merger Participation Agreement, any registered holder of Class B Special Shares may, at their option, upon giving notice as hereinafter described, require the Corporation, at any time or times to redeem all of the Class B Special Shares held by such holder, and the Corporation shall pay to such holder for each such Class B Special Share which the holder requires to be redeemed an amount equal to the Redemption Amount (as defined below). The redemption right provided for herein may be exercised by notice in writing given by any Class B Special shareholder to the Corporation at the registered office of the Corporation or to any transfer agent or registrar for the Class B Special Shares accompanied by the certificate or certificates representing the Class B Special Shares in respect of which the holder thereof desires to exercise such right of redemption, and such notice shall be executed by the person registered on the books of the Corporation as the holder of the Class B Special Shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify that the holder desires to have all such Class B Special Shares redeemed. The holder shall pay any governmental, transfer or other tax imposed in respect of such redemption. On the date following 30 days from the date of receipt of such notice by the Corporation, the Corporation shall pay or cause to be paid to the order of the holder of such Class B Special Shares the aggregate Redemption Amount in respect of the Class B Special Shares to be redeemed as specified in the notice.

**“Redemption Amount”**, for each Class B Special Share, means an amount equal to \$1.00 divided by the aggregate number of Class B Special Shares issued to all holders of Class B Special Shares pursuant to section 2.1 of the Merger Participation Agreement.

5. **Redemption by Corporation:** Subject to the terms of the Merger Participation Agreement, the Corporation may, upon giving notice as hereinafter provided, redeem at any time and from time to time all of the then outstanding Class B Special Shares on payment of the Redemption Amount for each share to be redeemed.

Idem: In the case of redemption of Class B Special Shares by the Corporation, the Corporation shall, at least 30 days before the intended redemption date, mail to each person who at the date of mailing is a holder of the Class B Special Shares to be redeemed, a notice in writing of the intention of the Corporation to redeem such shares. Such notice shall be mailed by prepaid mail, addressed to each such holder at its address as it appears on the records of the Corporation or in the event of the address of any such holder not so appearing, then to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the date on which redemption is to take place. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the holders of the Class B Special Shares to be redeemed the aggregate Redemption Amount for the Class B Special Shares called for redemption upon presentation and surrender at the registered office of the Corporation, or any other place designated in such notice, of the certificates representing the Class B Special Shares called for redemption. Such payment by the Corporation shall be made by way of a cheque payable at par at any branch of the Corporation's bankers in Canada. From and after the date specified for redemption in any such notice, the holders of the Class B Special Shares called for redemption shall cease to be entitled to any of the rights of holders of Class B Special Shares in respect thereof, unless payment of the Redemption Amount for each Class B Special Share to be redeemed is not made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders of the said Class B Special Shares shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem the Class B Special Shares to deposit the aggregate Redemption Amount of the shares so called for redemption, or of such of the said shares represented by certificates as, have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account in any chartered bank or in any trust company in Canada, named, in such notice, to be paid without interest to or to the order of the respective holders of such Class B Special Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same, and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Class B Special Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Amount so deposited against presentation and surrender of the said certificates held by them respectively and any interest allowed on such deposit shall belong to the Corporation.

6. **Notice:** Where notice is required by the provisions hereof to be sent, the notice of the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

7. **Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the

Class B Special Shares shall not be entitled to share in any distribution of the assets of the Corporation.