



## Certificate of Arrangement

*Canada Business Corporations Act*

## Certificat d'arrangement

*Loi canadienne sur les sociétés par actions*

**MAPLE LEAF FOODS INC.  
LES ALIMENTS MAPLE LEAF INC.**

**454466-8**

Corporate name(s) of CBCA applicants / Dénomination(s)  
sociale(s) de la ou des sociétés LCSA requérantes

Corporation number(s) / Numéro(s) de la ou  
des sociétés

I HEREBY CERTIFY that the arrangement set  
out in the attached articles of arrangement has  
been effected under section 192 of the *Canada  
Business Corporations Act*.

JE CERTIFIE que l'arrangement mentionné dans  
les clauses d'arrangement annexées a pris effet en  
vertu de l'article 192 de la *Loi canadienne sur les  
sociétés par actions*.

**Hantz Prosper**

Director / Directeur

**2025-10-01**

Date of Arrangement (YYYY-MM-DD)  
Date de l'arrangement (AAAA-MM-JJ)



Innovation, Science and  
Economic Development Canada  
Corporations Canada

Innovation, Sciences et  
Développement économique Canada  
Corporations Canada

**Canada Business Corporations Act (CBCA)  
FORM 14.1  
ARTICLES OF ARRANGEMENT  
(Section 192)**

<b>1 - Name of the applicant corporation(s)</b>	<b>Corporation number</b>
MAPLE LEAF FOODS INC. LES ALIMENTS MAPLE LEAF INC.	454466-8

<b>2 - Name of the corporation(s) the articles of which are amended, if applicable</b>	<b>Corporation number</b>
MAPLE LEAF FOODS INC. LES ALIMENTS MAPLE LEAF INC. 16923534 Canada Inc.	454466-8 1692353-4

<b>3 - Name of the corporation(s) created by amalgamation, if applicable</b>	<b>Corporation number</b>
Canada Packers Inc.	1601786-0

<b>4 - Name of the dissolved corporation(s), if applicable</b>	<b>Corporation number</b>

<b>5 - Name of the other bodies corporate involved, if applicable</b>	<b>Corporation number or jurisdiction</b>
16923534 Canada Inc. Canada Packers Inc.	1692353-4 1657900-1

**6 - In accordance with the order approving the arrangement, the plan of arrangement attached hereto, involving the above named body(ies) corporate, is hereby effected.**

**In accordance with the plan of arrangement,**

- ☒ a. the articles of the corporation(s) indicated in item 2, are amended.  
If the amendment includes a name change, indicate the change below:

- ☒ b. the following bodies corporate and/or corporations are amalgamated (for CBCA corporations include the corporation number):

Canada Packers Inc. (CORP# 1657900-1)  
 16923534 Canada Inc. (CORP#1692353-4)

- ☐ c. the corporation(s) indicated in item 4 is(are) liquidated and dissolved:

**7 - I hereby certify that I am a director or an authorized officer of one of the applicant corporations.**

Signed by: David Smales  
CBE4D8B2330E429...

Print name: David Smales

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



Court File No. CV-25-00741727-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE  
JUSTICE CAVANAGH

)  
)  
)

FRIDAY, THE 13<sup>TH</sup>  
DAY OF JUNE, 2025

**IN THE MATTER OF AN APPLICATION UNDER SECTION  
192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C.  
1985, c. C-44, AS AMENDED**

**AND IN THE MATTER OF RULES 14.05(2) and 14.05(3) OF  
THE *RULES OF CIVIL PROCEDURE***

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT  
OF MAPLE LEAF FOODS INC. INVOLVING 16923534  
CANADA INC. AND CANADA PACKERS INC.**

**FINAL ORDER**

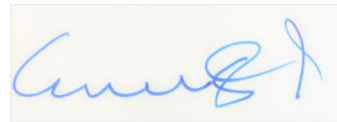
THIS MOTION, made by the Applicant, Maple Leaf Foods Inc. (“**Maple Leaf**”) pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the “**CBCA**”), was heard this day by video conference.

ON READING the Notice of Motion, the Notice of Application issued on April 22, 2025, the affidavit of David Smales, sworn April 29, 2025 (the “**Affidavit**”), the Supplementary affidavit of David Smales sworn June 11, 2025, together with the exhibits thereto, and the Interim Order of the Honourable Justice Cavanagh dated May 1, 2025, and

ON HEARING the submissions of counsel for Maple Leaf, and on being advised that the Director appointed under the CBCA does not consider it necessary to appear on this application,

no-one appearing for any other person, including any shareholder of Maple Leaf, and on being advised that this order will be relied upon by Maple Leaf as the basis for a claim to an exemption pursuant to Section 3(a)(10) of the *United States Securities Act of 1933* from the registration requirements otherwise imposed by that Act with respect to the issuance of securities of Maple Leaf as described in the Plan of Arrangement attached as Schedule “A” to this order, and having determined that the Arrangement, as described in the Plan of Arrangement attached as Schedule “A” to this order is an arrangement for the purposes of section 192 of the CBCA and is fair and reasonable as that term is understood for the purposes of that section,

1. THIS COURT ORDERS that the Arrangement, as described in the Plan of Arrangement attached as Schedule “A” to this order, shall be and is hereby approved.
2. THIS COURT ORDERS that Maple Leaf shall be entitled to seek leave to vary this order upon such terms and upon giving such notice as this court may direct, to seek the advice and directions of this court as to the implementation of this order, and to apply for such further order or orders as may be appropriate.



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**Schedule “A”**

**APPENDIX A**

**PLAN OF ARRANGEMENT UNDER SECTION 192 OF  
THE CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1  
INTERPRETATION**

**1.01 Definitions**

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the respective meanings set out below and grammatical variations of such terms will have the corresponding meanings:

“**Affiliate**” means, when describing a relationship between two Persons, that either: (a) one of them is under the direct or indirect control of the other; or (b) each of them is directly or indirectly controlled by the same Person;

“**Amalco**” means the corporation to be formed on the amalgamation of Newco and Subco in accordance with this Plan of Arrangement, which will be named Canada Packers Inc.;

“**Amalco Common Shares**” has the meaning ascribed thereto in Section 2.03(k)(iv) hereof;

“**Amalco Equity Security Exchange Ratio**” means the quotient of (a) the volume weighted average trading price of the MLF Common Shares on the TSX for the ten trading days preceding (but, for greater certainty, not including) the Effective Date (or such other trading period as determined by MLF and that is acceptable to the TSX), divided by (b) the volume weighted average trading price of the Amalco Common Shares on the TSX for the first ten trading days commencing on (and, for greater certainty, including) the Effective Date (or such other trading period as determined by MLF and that is acceptable to the TSX);

“**Amalco Share Conversion Ratio**” means 0.2, provided that if the Board has determined that that the Amalco Share Conversion Ratio shall mean a different number, and MLF has publicly issued a press release not less than three Business Days prior to the Effective Date disclosing that the Amalco Share Conversion Ratio shall mean such different number, then the Amalco Share Conversion Ratio shall mean such different number;

“**Amalco Option Plan**” means the Share Option Plan of Amalco, to be adopted as of the Effective Time;

“**Amalco Option Plan Resolution**” means the ordinary resolution of MLF Shareholders approving the Amalco Option Plan, as it may be amended or varied at or at any time prior to the Meeting, to be considered at the Meeting;

“**Amalco Stock Options**” means a right granted by Amalco to Transferred Employees to acquire Amalco Common Shares issued pursuant to Section 2.03(m) hereof, with the exercise price of each such Amalco Stock Option determined in accordance with this Plan of Arrangement and the other terms and conditions thereof determined in accordance with the Amalco Option Plan and any agreements thereunder, and including any adjustments to such Amalco Stock Option necessary to give effect to the intent of this Plan of Arrangement, as such plan or agreements may be amended by the board of directors of Amalco or a committee thereof;

“**arm’s length**” has the meaning assigned by Section 251(1) of the Tax Act;

“**Arrangement**” means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the Arrangement Agreement, this Plan of Arrangement, and the Interim Order (once issued), or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to MLF;

“**Arrangement Agreement**” means the arrangement agreement dated April 29<sup>th</sup>, 2025 among MLF, Newco and Subco;

“**Arrangement Resolution**” means the special resolution of MLF Shareholders approving the Arrangement to be considered at the Meeting;

**“Articles of Arrangement”** means the articles of arrangement of MLF in respect of the Arrangement, required by Section 192(6) of the CBCA to be sent to the Director after the Final Order is made;

**“Board”** or **“Board of Directors”** means the board of directors of MLF;

**“Business Day”** means any day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario;

**“CBCA”** means the *Canada Business Corporations Act*, as amended;

**“Certificate of Arrangement”** means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA in respect of the Articles of Arrangement;

**“control”** means, when applied to a relationship between two Persons, that a Person (the **“first Person”**) is considered to control another Person (the **“second Person”**) if: (a) the first Person, directly or indirectly, beneficially owns or exercises control or direction over securities, interests or contractual rights of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, or a majority of any other Persons who have the right to manage or supervise the management of the business and affairs of the second Person, unless that first Person holds the voting securities only to secure a debt or similar obligation; (b) the second Person is a partnership, other than a limited partnership, and the first Person, together with any Person controlled by the first Person, holds more than 50 per cent of the interests (measured by votes or by value) of the partnership; or (c) the second Person is a limited partnership and the general partner of the limited partnership is the first Person or any Person controlled by the first Person, and the term **“controlled”** has a corresponding meaning;

**“Court”** means the Ontario Superior Court of Justice (Commercial List);

**“Director”** means the Director appointed pursuant to Section 260 of the CBCA;

**“Distribution Record Date”** means the record date established by MLF for the Arrangement;

**“DSU”** means a deferred share unit granted by MLF to a non-employee director under the MLF DSU Plan, that is outstanding immediately prior to the Effective Time;

**“Effective Date”** means the effective date of the Arrangement, being the date shown on the Certificate of Arrangement;

**“Effective Time”** means 12:01 a.m. (EST) on the Effective Date, or such other time as MLF, Subco and Newco agree to in writing before the Effective Date;

**“Electing Shareholder”** means any MLF Shareholder that is Michael H. McCain, Jonathan W. F. McCain, or any Person controlled by them, which requests that Newco executes a joint election under subsection 85(1) of the Tax Act with such MLF Shareholder in respect of the transfer in Section 2.03(f);

**“Encumbrance”** means any mortgage, charge, pledge, lien, hypothec, security interest, encumbrance, adverse claim or right of any third party which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property;

**“fair market value”** means the highest price available in an open and unrestricted market between informed and prudent parties acting at arm’s length and under no compulsion to act, expressed in terms of money;

**“Final Order”** means the final order of the Court pursuant to Section 192 of the CBCA, in a form acceptable to MLF, approving the Arrangement, as such order may be amended or varied by the Court, provided that any such amendment or variation is acceptable to MLF, at any time prior to the Effective Date;

**“Former MLF Employee”** means a Person who was previously a director, officer, manager or employee of MLF or an Affiliate thereof but is not, as of the Effective Time, a director, officer, manager or employee of MLF or an Affiliate thereof (other than a Transferred Employee);

**“Governmental Authority”** means (a) any multinational, federal, national, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry or agency, domestic or foreign; (b) any subdivision, agent, commission, board, or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, self-regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange;

**“Interim Order”** means the interim order of the Court pursuant to Section 192 of the CBCA, in a form acceptable to MLF, providing for, among other things, the calling and holding of the Meeting, as such order may be amended or varied by the Court, provided that any such amendment or variation is acceptable to MLF;

**“In the Money Amount”** means, in relation to a particular stock option, the amount by which the fair market value of the shares issuable under the particular option exceeds the aggregate exercise price payable by the holder of the option to acquire such shares;

**“Meeting”** means the annual and special meeting of MLF Shareholders (including any adjournment or postponement thereof) to be called and held in accordance with the Interim Order to, among other things, consider and, if deemed advisable, approve the Arrangement Resolution and the Amalco Option Plan Resolution;

**“MLF”** means Maple Leaf Foods Inc., a corporation existing under the CBCA;

**“MLF Arrangement Common Shares”** means the new class of common shares in the capital of MLF created pursuant to this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement;

**“MLF Common Shares”** means the common shares in the capital of MLF (being, for greater certainty, the class of shares designated as “Common Shares” in the articles of MLF on the Effective Date);

**“MLF DSU Plan”** means the Share Purchase and Deferred Share Unit Plan of MLF;

**“MLF Employees”** means all directors, officers, managers and employees of MLF and its Affiliates, including directors, officers, managers and employees on disability leave, parental leave or other leave of absence, immediately prior to the Effective Time;

**“MLF Equity Security Exchange Ratio”** means the quotient of (a) the volume weighted average trading price of the MLF Common Shares on the TSX for the ten trading days preceding (but, for greater certainty, not including) the Effective Date (or such other trading period as determined by MLF and that is acceptable to the TSX), divided by (b) the volume weighted average trading price of the MLF Common Shares on the TSX for the first ten trading days commencing on (and, for greater certainty, including) the Effective Date (or such other trading period as determined by MLF and that is acceptable to the TSX);

**“MLF LTIP”** means the Long Term Incentive Plan of MLF;

**“MLF Option Plan”** means the Amended and Restated Option Plan of MLF;

**“MLF Redemption Amount”** has the meaning ascribed thereto in Section 2.03(h) hereof;

**“MLF Redemption Note”** has the meaning ascribed thereto in Section 2.03(h) hereof;

**“MLF Shareholder”** as of any time means a holder of MLF Common Shares at such time;

**“MLF Special Shares”** means the non-voting, redeemable, retractable preferred shares in the capital of MLF created pursuant to this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement;

**“MLF Stock Option”** means a right granted by MLF to eligible employees to acquire MLF Common Shares on terms and conditions set out in the MLF Option Plan, that is outstanding immediately prior to the Effective Time;

**“New MLF Stock Options”** means a right granted by MLF to eligible employees to acquire MLF Common Shares issued pursuant to Section 2.03(d) hereof, with the exercise price of each such New MLF Stock Option determined in accordance with this Plan of Arrangement and the other terms and conditions thereof determined in accordance with the MLF Option Plan and any agreements thereunder, and including any adjustments to such New MLF Stock Option necessary to give effect to the intent of this Plan of Arrangement, as such plan or agreements may be amended by the Board or a committee thereof;

**“Newco”** means 16923534 Canada Inc., a corporation existing under the CBCA;

**“Newco Common Shares”** means the common shares in the capital of Newco having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement;

**“Newco Preferred Shares”** means the non-voting, redeemable, retractable preferred shares in the capital of Newco created pursuant to this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement;



**“Newco Redemption Amount”** has the meaning ascribed thereto in Section 2.03(i) hereof;

**“Newco Redemption Note”** has the meaning ascribed thereto in Section 2.03(i) hereof;

**“Non-Transferred Employees”** means MLF Employees who are not Transferred Employees;

**“Non-Union Employee”** means an employee of MLF who is not a member of the Union;

**“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;

**“Plan of Arrangement”** means this plan of arrangement, including the exhibits hereto, as amended or varied from time to time in accordance with the Arrangement Agreement, the terms hereof, and the Interim Order (once issued), or at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to MLF;

**“predecessor corporations”** has the meaning ascribed thereto in Section 2.03(k);

**“PSU”** means a performance share unit granted by MLF to a participant, which represents a right to receive MLF Common Shares or cash on the terms and conditions set out in the MLF LTIP, which vests over time and upon achievement of performance goals, and that is outstanding immediately prior to the Effective Time;

**“RSU”** means a restricted share unit granted by MLF to a participant, which represents a right to receive MLF Common Shares or cash on the terms and conditions set out in the MLF LTIP, that is outstanding immediately prior to the Effective Time;

**“Subco”** means Canada Packers Inc., a corporation existing under the CBCA;

**“Subco Common Shares”** means the common shares in the capital of Subco;

**“Subco Stock Options”** means a right granted by Subco to Transferred Employees to acquire Subco Common Shares issued pursuant to Section 2.03(e) hereof;

**“Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supplement);

**“trading day”** means a day, other than a Saturday or a Sunday, when the TSX is open for trading;

**“trading price”** means, in relation to the MLF Common Shares or the Amalco Common Shares, the trading price per share of the MLF Common Shares or the Amalco Common Shares, as the case may be, on the TSX for the applicable period. For greater certainty: (a) in the case of the Amalco Common Shares, such trading price may be determined by reference to trading on an “if, as and when issued” basis; and (b) in the case of the MLF Common Shares, such trading price may be determined by reference to trading on a “due bill” basis;

**“Transfer Agent”** means the transfer agent for the MLF Common Shares or the Amalco Common Shares, as applicable;

**“Transferred Employee”** means each Union Employee who continues employment with Amalco (or a predecessor thereto) as of the Effective Time, and each Non-Union Employee who accepts an offer of employment from Newco or Subco (or any successor thereto) and who commences employment with Amalco (or a predecessor thereto) on or after the Effective Time;

**“Transferred Percentage”** means 84%;

**“Transferred Property”** means the Transferred Percentage of the issued and outstanding Subco Common Shares held by MLF immediately prior to the Effective Time;

**“TSX”** means the Toronto Stock Exchange;

**“Union”** means United Food & Commercial Workers Union, Local No. 832 and Local No. 401; and

**“Union Employee”** means an employee of MLF who is a member of the Union.



## **1.02 Construction**

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Plan of Arrangement into Articles, Sections and Subsections and the use of headings are for convenience of reference only and do not affect the construction or interpretation hereof;
- (b) the words “hereunder”, “hereof” and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or Subsection and references to “Articles”, “Sections” and “Subsections” are to Articles, Sections and Subsections of this Plan of Arrangement;
- (c) words importing the singular include the plural and vice versa, and words importing any gender include all genders;
- (d) the word “including” means “including without limiting the generality of the foregoing”;
- (e) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation;
- (f) a reference to any agreement or contract is to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms thereof;
- (g) if any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action will be required to be taken on the next succeeding Business Day; and
- (h) a reference to a Person includes such Person’s heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns.

## **1.03 Time**

Time will be of the essence in every matter or action contemplated hereunder.

## **1.04 Exhibits**

The following Exhibits are attached to this Plan of Arrangement and form part hereof:

- Exhibit I – Initial Amendment to the Articles of Maple Leaf Foods Inc.
- Exhibit II – Initial Amendment to the Articles of 16923534 Canada Inc.
- Exhibit III – Articles of Canada Packers Inc.
- Exhibit IV – By-Law Number 1 of Canada Packers Inc.
- Exhibit V – Subsequent Amendment to the Articles of Maple Leaf Foods Inc.

## **ARTICLE 2 THE ARRANGEMENT**

### **2.01 Arrangement Agreement**

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of, the Arrangement Agreement.

### **2.02 Binding Effect**

Upon the issuance of the Certificate of Arrangement, this Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on: (a) MLF; (b) Newco; (c) Subco; (d) MLF Shareholders; (e) holders of MLF Stock Options; (f) holders of DSUs; (g) holders of PSUs; and (h) holders of RSUs.

## 2.03 Effective Time

Commencing at the Effective Time, the following events, matters and transactions will occur and will be deemed to occur in the following sequence, without any further act, authorization or formality, and with each event, matter or transaction occurring and being deemed to occur immediately after the occurrence of the immediately preceding event, matter or transaction:

- (a) the articles of MLF will be amended to create and authorize the issuance of (in addition to the shares it is authorized to issue immediately before such amendment):
  - (i) an unlimited number of MLF Arrangement Common Shares; and
  - (ii) an unlimited number of MLF Special Shares,

each new class having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement;

- (b) the articles of Newco will be amended to create and authorize the issuance of (in addition to the shares it is authorized to issue immediately before such amendment) an unlimited number of Newco Preferred Shares, having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement;
- (c) pursuant to a reorganization of the capital of MLF, each MLF Common Share outstanding immediately prior to the Effective Time will be exchanged into one MLF Arrangement Common Share and one MLF Special Share and in respect of such transactions:
  - (i) the aggregate addition to the stated capital accounts of the MLF Arrangement Common Shares and the MLF Special Shares issued by MLF pursuant to this Section 2.03(c) will equal the "paid-up capital" (for purposes of the Tax Act) of the MLF Common Shares immediately before the event described in this Section 2.03(c). Such addition to the stated capital accounts will be allocated between the MLF Arrangement Common Shares and MLF Special Shares based on the proportion that the fair market value of the MLF Arrangement Common Shares and the MLF Special Shares, as the case may be, is of the aggregate fair market value of all of the MLF Arrangement Common Shares and MLF Special Shares issued pursuant to this Section 2.03(c);
  - (ii) the only consideration such MLF Shareholders will receive for the disposition of their MLF Common Shares will be the applicable MLF Arrangement Common Shares and MLF Special Shares;
  - (iii) the MLF Common Shares so exchanged will be cancelled;
- (d) concurrently with the exchange of the MLF Common Shares described in Section 2.03(c), each Non-Transferred Employee and Former MLF Employee who holds MLF Stock Options shall exchange each such MLF Stock Option for a New MLF Stock Option granting such employee the right to acquire a number of MLF Common Shares equal to the MLF Equity Security Exchange Ratio multiplied by the number of MLF Common Shares issuable under the exchanged MLF Stock Option (rounded down to the nearest whole number), and in respect of such transactions:
  - (i) the only consideration such Non-Transferred Employee or Former MLF Employee, as the case may be, will receive for the exchange of their MLF Stock Options will be the applicable New MLF Stock Options, with such exchange being subject to Section 2.04;
  - (ii) the MLF Stock Options so exchanged will be cancelled; and

- (iii) the New MLF Stock Options will not be exercisable until after the completion of this Plan of Arrangement;
- (e) concurrently with the exchange of the MLF Common Shares described in Section 2.03(c), each Transferred Employee who holds MLF Stock Options shall exchange each such MLF Stock Option for a Subco Stock Option granting such employee the right to acquire a number of Subco Common Shares with a fair market-value, immediately after such exchange, that is equal to the total fair market value, immediately before such exchange, of the MLF Common Shares issuable under the exchanged MLF Stock Option, and in respect of such transactions:
  - (i) the only consideration such Transferred Employee will receive for the exchange of their MLF Stock Options will be the applicable Subco Stock Options, with such exchange being subject to Section 2.04;
  - (ii) the MLF Stock Options so exchanged will be cancelled; and
  - (iii) the Subco Stock Options will not be exercisable until after the completion of this Plan of Arrangement;
- (f) each holder of MLF Special Shares will transfer to Newco, with good and marketable title thereto and free and clear of all Encumbrances, all of the MLF Special Shares held thereby in consideration for the issuance by Newco to such Person of one Newco Common Share for every MLF Special Share transferred by such holder, and in respect of such transactions:
  - (i) the only consideration such Person will receive for the disposition of their MLF Special Shares will be the applicable Newco Common Shares;
  - (ii) there shall be added to the stated capital account maintained by Newco for the Newco Common Shares an amount equal to the sum of (i) the amounts agreed to by an Electing Shareholder and Newco in the elections described in Paragraph 2.03(f)(iv), and (ii) the aggregate "paid-up capital" (for purposes of the Tax Act) of the MLF Special Shares so transferred to Newco by any MLF Shareholder that is not an Electing Shareholder, as of immediately before the event described in this Section 2.03(f);
  - (iii) the Newco Common Shares will, outside of and not as part of this Plan of Arrangement, be listed for trading on the TSX and, for greater certainty, such listing on the TSX will occur before the issuance of Newco Common Shares pursuant to this Section 2.03(f);
  - (iv) Newco will jointly elect with each MLF Shareholder that is an Electing Shareholder, in prescribed form and within the time allowed by subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of MLF Special Shares by such Electing Shareholder, and if applicable, Newco and each Electing Shareholder will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount in each election under subsection 85(1) of the Tax Act will be an amount equal to the lesser of the fair market value of the MLF Special Shares transferred by an Electing Shareholder and the adjusted cost base of the MLF Special Shares to such Electing Shareholder at the time of the transfer pursuant to this Section 2.03(f); and
  - (v) no election(s) under section 85 of the Tax Act will be filed in respect of the transfer described in this Section 2.03(f) by any MLF Shareholder that is not an Electing Shareholder;
- (g) MLF will transfer the Transferred Property, with good and marketable title thereto and free and clear of all Encumbrances, to Newco in consideration for the issuance by Newco to MLF of 1,000 Newco Preferred Shares and the assumption by Newco of liabilities related to the Transferred Property, if any, and in respect of such transactions:

- (i) MLF will jointly elect with Newco, in the prescribed form and within the time allowed by Section 85(6) of the Tax Act, to have the provisions of Section 85(1) of the Tax Act apply to the transfer of the Transferred Property, and if applicable, MLF and Newco will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount in each election under subsection 85(1) of the Tax Act will be an amount equal to the lesser of the fair market value of the Transferred Property and the aggregate adjusted cost base of the Transferred Property to MLF at the time of the transfer thereof pursuant to this Section 2.03(g);
- (ii) the amount added to the stated capital in respect of the Newco Preferred Shares issued as consideration for the transfer of the Transferred Property will equal the maximum amount permitted to be added to the “paid-up capital” (for purposes of the Tax Act) of the Newco Preferred Shares having regard to Subsection 85(2.1) of the Tax Act; and
- (iii) the net fair market value of the Transferred Property received by Newco will be equal to or approximate that proportion of the net fair market value of all property owned by MLF immediately before the transfer of the Transferred Property pursuant to this Section 2.03(g) that:
  - (A) the aggregate fair market value of the MLF Special Shares owned by Newco immediately before such transfer, is of
  - (B) the aggregate fair market value of all the issued and outstanding shares of MLF immediately before such transfer;
- (h) MLF (i) will redeem for cancellation all of the MLF Special Shares held by Newco for an amount equal to the redemption amount (as determined pursuant to the articles of MLF) of such MLF Special Shares (the “**MLF Redemption Amount**”) and will issue to Newco a non-interest bearing demand promissory note in a principal amount equal to the MLF Redemption Amount (the “**MLF Redemption Note**”) in full and absolute payment, satisfaction and discharge of the MLF Redemption Amount; and (ii) shall, to the extent permitted under the Tax Act, hereby designate and be deemed to have designated and provided notice, pursuant to Section 89(14) of the Tax Act, the full amount of the dividend, if any, that will be deemed under Section 84(3) of the Tax Act to be paid by it to Newco upon the redemption of the MLF Special Shares in this Section 2.03(h), to be an eligible dividend;
- (i) Newco (i) will redeem for cancellation all of the Newco Preferred Shares held by MLF for an amount equal to the redemption amount (as determined pursuant to the articles of Newco) of such Newco Preferred Shares (the “**Newco Redemption Amount**”) and will issue to MLF a non-interest bearing demand promissory note in a principal amount equal to the Newco Redemption Amount (the “**Newco Redemption Note**”) in full and absolute payment, satisfaction and discharge of the Newco Redemption Amount; and (ii) shall, to the extent permitted under the Tax Act, hereby designate and be deemed to have designated and provided notice, pursuant to Section 89(14) of the Tax Act the full amount of the dividend, if any, that will be deemed under Section 84(3) of the Tax Act to be paid by it to MLF upon the redemption of the Newco Preferred Shares in this Section 2.03(i) to be an eligible dividend;
- (j) MLF and Newco will fully set off the MLF Redemption Note against the Newco Redemption Note, and both the MLF Redemption Note and the Newco Redemption Note will thereupon be cancelled;
- (k) Newco and Subco (referred to in this Section as “**predecessor corporations**”) will amalgamate pursuant to the provisions of Section 181 of the CBCA to form an amalgamated entity named “Canada Packers Inc.” in such a manner that, on and by virtue of the amalgamation:
  - (i) Newco and Subco will cease to exist as entities separate from Amalco;
  - (ii) Amalco will possess all the property, rights, privileges and franchises (excluding any amounts receivable from any predecessor corporation or shares of a predecessor

corporation) and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the predecessor corporations (other than any amounts payable to any predecessor corporation);

- (iii) the Articles of Arrangement will be the articles of amalgamation of Amalco and the Certificate of Arrangement will be the certificate of amalgamation of Amalco;
- (iv) Amalco's authorized share capital will consist of common shares (the "**Amalco Common Shares**") and preferred shares, in each case having rights, privileges, restrictions and conditions set out in Exhibit III to this Plan of Arrangement;
- (v) each issued and outstanding Newco Common Share immediately prior to the amalgamation will be converted into such number of Amalco Common Shares as is equal to the Amalco Share Conversion Ratio;
- (vi) each issued and outstanding Subco Common Share (other than a Subco Common Share held by a predecessor corporation) will be converted into such number of Amalco Common Shares as is equal to the quotient determined by the formula

$$A / B$$

where:

- A is the product obtained by multiplying (i) the aggregate number of Newco Common Shares that were issued and outstanding immediately prior to the amalgamation by (ii) the Amalco Share Conversion Ratio, and
- B is the product obtained by multiplying (i) the aggregate number of Subco Common Shares that were issued and outstanding immediately prior to the amalgamation by (ii) the Transferred Percentage;
- (vii) each Subco Common Share held by a predecessor corporation will be cancelled for no consideration;
- (viii) the stated capital of the Amalco Common Shares will be an amount equal to the stated capital of the Newco Common Shares and the stated capital of the Subco Common Shares (excluding the Subco Common Shares held by a predecessor corporation) immediately prior to the amalgamation;
- (ix) no securities will be issued except as described in paragraphs (k)(v) and (k)(vi) and no assets will be distributed by Amalco in connection with the amalgamation;
- (x) the name of Amalco will be "Canada Packers Inc.";
- (xi) the registered office of Amalco will be 6985 Financial Drive, Suite 201, Mississauga, Ontario L5N 0A1, Canada;
- (xii) with respect to the directors of Amalco: (A) the directors will consist of a minimum number of 8 and a maximum number of 18 directors, (B) until changed by the shareholders of Amalco, or by the directors of Amalco if authorized to do so, the number of directors of Amalco will be 9, and (C) the initial directors of Amalco will be: Michael H. McCain, Dennis Organ, Curtis E. Frank, Gary Maksymetz, Jonathan W.F. McCain, Sarah Piper, Meghan Roach, Heather Stefanson and Michael Vels;

- (xiii) there will be no restrictions on the business Amalco may carry on or the powers it may exercise;
- (xiv) the by-laws of Amalco will be the by-laws attached as Exhibit IV to this Plan of Arrangement, and such by-laws will be deemed to have been confirmed by the shareholders of Amalco; and
- (xv) KPMG LLP will be the initial auditor of Amalco, to hold office until the close of the first annual meeting of Amalco shareholders following the Effective Date, or until KPMG LLP resigns as contemplated by Section 164 of the CBCA or is removed from office as contemplated by Section 165 of the CBCA, and the directors of Amalco will be authorized to fix their remuneration;
- (l) concurrently with the amalgamation as described in Section 2.03(k), the Amalco Common Shares will, outside of and not as part of this Plan of Arrangement, be listed for trading on the TSX (subject to standard post-closing listing conditions imposed by the TSX in similar circumstances);
- (m) by virtue of the amalgamation as described in Section 2.03(k), each Transferred Employee who holds Subco Stock Options shall exchange each such Subco Stock Option for an Amalco Stock Option granting such employee the right to acquire a number of Amalco Common Shares equal to the Amalco Equity Security Exchange Ratio multiplied by the number of MLF Common Shares issuable under the MLF Stock Option exchanged for such Subco Stock Option pursuant to Section 2.03(e) (rounded down to the nearest whole number), and in respect of such transactions:
  - (i) the only consideration such Transferred Employee will receive for the exchange of their Subco Stock Options will be the applicable Amalco Stock Options, with such exchange being subject to Section 2.04;
  - (ii) the Subco Stock Options so exchanged will be cancelled; and
  - (iii) the Amalco Stock Options will not be exercisable until after the completion of this Plan of Arrangement;
- (n) each holder of MLF Arrangement Common Shares will exchange each MLF Arrangement Common Share held thereby for one MLF Common Share, and in respect of such transactions:
  - (i) the aggregate addition to the stated capital accounts of the MLF Common Shares issued by MLF pursuant to this Section 2.03(n) will equal the "paid-up capital" (for purposes of the Tax Act) of the MLF Arrangement Common Shares immediately before the event described in this Section 2.03(n);
  - (ii) the only consideration such MLF Shareholders will receive for the disposition of their MLF Arrangement Common Shares will be the applicable MLF Common Shares;
  - (iii) the MLF Arrangement Common Shares so exchanged will be cancelled;
  - (iv) no election(s) under section 85 of the Tax Act will be filed in respect of the transfer described in this Section 2.03(n); and
  - (v) the MLF Common Shares will, outside of and not as part of this Plan of Arrangement, continue without interruption to be listed for trading on the TSX; and
- (o) the articles of MLF will be amended to remove the MLF Special Shares and MLF Arrangement Common Shares from the authorized capital of MLF (and to remove all references to the MLF Special Shares and MLF Arrangement Common Shares), such that, following such amendment, MLF's authorized capital will be as set out in Exhibit V to this Plan of Arrangement.



## 2.04 Effect on Options

- (a) For purposes of the exchange of MLF Stock Options for New MLF Stock Options pursuant to Section 2.03(d), the exercise price of each such New MLF Stock Option will be equal to the original exercise price of the MLF Stock Option exchanged therefor divided by the MLF Equity Security Exchange Ratio (rounded up to the nearest whole cent).
- (b) For purposes of the exchange of MLF Stock Options for Subco Stock Options pursuant to Section 2.03(e), each such Subco Stock Option will have an aggregate exercise price equal to the aggregate exercise price of the MLF Stock Option exchanged therefor.
- (c) For purposes of the exchange of Subco Stock Options for Amalco Stock Options pursuant to Section 2.03(m), the exercise price of each such Amalco Stock Option will be equal to the original exercise price of the MLF Stock Option exchanged for the Subco Stock Option pursuant to Section 2.03(e) divided by the Amalco Equity Security Exchange Ratio (rounded up to the nearest whole cent).
- (d) Except as provided for in this Section 2.04, the terms and conditions of each New MLF Stock Option granted in exchange for a MLF Stock Option shall be substantially similar to the terms and conditions of such MLF Stock Option, including in respect of such option's term and termination conditions.
- (e) Except as provided for in this Section 2.04, the terms and conditions of each Subco Stock Option granted in exchange for a MLF Stock Option shall be substantially similar to the terms and conditions of such MLF Stock Option, including in respect of such option's term and termination conditions.
- (f) Except as provided for in this Section 2.04, the terms and conditions of each Amalco Stock Option granted in exchange for a Subco Stock Option shall be substantially similar to the terms and conditions of the MLF Stock Option exchanged pursuant to Section 2.03(e) for such Subco Stock Option, including in respect of such option's term and termination conditions.
- (g) It is intended that the provisions of Subsection 7(1.4) of the Tax Act (and any corresponding provision of provincial tax legislation) apply to any exchange of options described in Section 2.04(a), (b) or (c). If, and to the extent (if any) determined by MLF (in respect of an exchange in Section 2.04(a)) or Amalco (in respect of an exchange in Sections 2.04(b) or (c)) to be necessary for such provision to apply, the exercise price of the New MLF Stock Options, Subco Stock Options, or Amalco Stock Options issued on such exchange, as the case may be (the "**New Options**"), will be increased (and will be deemed always to have been increased) such that the In the Money Amount of the New Options immediately after such exchange does not exceed the In the Money Amount immediately before such exchange of the MLF Stock Options or Subco Stock Options, as the case may be, that was cancelled on such exchange.

## 2.05 Effect on RSUs, PSUs and DSUs

- (a) Pursuant to and in accordance with the MLF LTIP, with respect to each Non-Transferred Employee and Former MLF Employee, such Person's holding of RSUs will be adjusted such that, following completion of the Arrangement, the aggregate number of RSUs held by such Person shall be equal to (i) the number of MLF Common Shares underlying such RSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the MLF Equity Security Exchange Ratio.
- (b) Pursuant to and in accordance with the MLF LTIP, with respect to each Non-Transferred Employee and Former MLF Employee, such Person's holding of PSUs will be adjusted such that, following completion of the Arrangement, the aggregate number of PSUs held by such Person shall be equal to (i) the number of MLF Common Shares underlying such PSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the MLF Equity Security Exchange Ratio.



- (c) Pursuant to and in accordance with the MLF DSU Plan, each holder of DSUs shall have their holding of DSUs adjusted such that, following completion of the Arrangement, the aggregate number of DSUs held by such Person shall be equal to (i) the number of DSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the MLF Equity Security Exchange Ratio.
- (d) Pursuant to and in accordance with the MLF LTIP, with respect to each Transferred Employee, such Person's holding of RSUs will be amended such that, following completion of the Arrangement:
  - (i) the "Share" (as defined in the MLF LTIP) applicable to each RSU held shall refer to an Amalco Common Share in place of an MLF Common Share;
  - (ii) the aggregate number of RSUs held by such Person shall be equal to (i) the number of MLF Common Shares underlying such RSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the Amalco Equity Security Exchange Ratio; and
  - (iii) MLF's obligation in respect of such Person's RSUs shall become an obligation of Amalco.
- (e) Pursuant to and in accordance with the MLF LTIP, with respect to each Transferred Employee, such Person's holding of PSUs will be amended such that, following completion of the Arrangement:
  - (i) the "Share" (as defined in the MLF LTIP) applicable to each PSU held shall refer to an Amalco Common Share in place of an MLF Common Share;
  - (ii) the aggregate number of PSUs held by such Person shall be equal to (i) the number of MLF Common Shares underlying such PSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the Amalco Equity Security Exchange Ratio; and
  - (iii) MLF's obligation in respect of such Person's PSUs shall become an obligation of Amalco.

## **2.06 Registers of Holders**

- (a) Upon the exchange of the MLF Common Shares pursuant to Section 2.03(c), the name of each registered MLF Shareholder will be deemed to be removed from the register of holders of MLF Common Shares and will be deemed to be added to the registers of holders of MLF Arrangement Common Shares and MLF Special Shares.
- (b) Upon the transfer of the MLF Special Shares pursuant to Section 2.03(f): (i) the name of each registered MLF Shareholder will be deemed to be removed from the register of holders of MLF Special Shares and will be deemed to be added to the register of holders of Newco Common Shares; and (ii) Newco will be deemed to be recorded as the registered holder of the MLF Special Shares on the register of holders of MLF Special Shares and will be deemed to be the legal and beneficial owner thereof.
- (c) Upon the transfer of the Transferred Property pursuant to Section 2.03(g): (i) MLF will be deemed to be added to the register of holders of Newco Preferred Shares; and (ii) Newco will be deemed to be recorded as a registered holder of Subco Common Shares on the register of holders of Subco Common Shares and will be deemed to be the legal and beneficial owner of such Subco Common Shares.
- (d) Upon the redemption of the MLF Special Shares pursuant to Section 2.03(h), Newco will be deemed to be removed from the register of holders of MLF Special Shares.
- (e) Upon the redemption of the Newco Preferred Shares pursuant to Section 2.03(i), MLF will be deemed to be removed from the register of holders of Newco Preferred Shares.
- (f) Upon the amalgamation of Newco and Subco pursuant to Section 2.03(k): (i) appropriate entries will be made in the register holders of Newco Common Shares to reflect the cancellation of such

shares, (ii) appropriate entries will be made in the register holders of Subco Common Shares to reflect the cancellation of such shares and (iii) MLF and the holders of Newco Common Shares will be deemed to be recorded as registered holders of Amalco Common Shares and will be deemed to be the legal and beneficial owners thereof.

- (g) Upon the exchange of the MLF Arrangement Common Shares pursuant to Section 2.03(n), the name of each registered MLF Shareholder will be deemed to be removed from the register of holders of MLF Arrangement Common Shares and will be deemed to be added to the register of holders of MLF Common Shares.

## **2.07 Deemed Fully Paid and Non-Assessable Shares**

All MLF Common Shares, MLF Arrangement Common Shares, MLF Special Shares, Newco Common Shares, Newco Preferred Shares and Amalco Common Shares issued pursuant hereto will be deemed to be or have been validly issued and outstanding as fully paid and non-assessable shares for all purposes of the CBCA.

## **ARTICLE 3 CERTIFICATES AND PAYMENTS**

### **3.01 Entitlement to Share Certificates**

- (a) As soon as practicable after the Effective Date, Amalco will issue and deliver, or cause its Transfer Agent to issue and deliver, to each MLF Shareholder of record as of the Distribution Record Date, certificates representing the Amalco Common Shares to which such holder is entitled pursuant to the Arrangement.
- (b) Following the Distribution Record Date, certificates representing MLF Common Shares will be deemed for all purposes to be certificates representing only the MLF Common Shares issued to MLF Shareholders pursuant to Section 2.03(n) hereof and, accordingly, no new certificates will be issued representing such MLF Common Shares.
- (c) No certificates will be issued for shares that are issued and subsequently cancelled in accordance with the provisions of this Plan of Arrangement.
- (d) For the purposes of this Plan of Arrangement, any reference to a “certificate” shall include evidence of registered ownership of the applicable shares in an electronic book-based system maintained by the applicable Transfer Agent and the provisions of this Plan of Arrangement shall be read and construed (and where applicable, modified) to give effect to such interpretation.

### **3.02 Fractional Shares**

No certificates representing fractional Amalco Common Shares arising from the Arrangement shall be issued to MLF Shareholders pursuant to the Arrangement and no dividend, stock split or other change in the capital structure of Amalco shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of Amalco. The number of Amalco Common Shares to be issued to a MLF Shareholder pursuant to this Plan of Arrangement will be rounded down to the nearest whole number, with no cash being paid for any fractional share eliminated by such rounding.

### **3.03 Lost Certificates**

If any certificate which, immediately prior to the Effective Time, represented an interest in outstanding MLF Common Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Transfer Agent will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to each of MLF, Amalco and the Transfer Agent, which bond shall be in form and substance satisfactory to each of MLF, Amalco and the Transfer Agent, or shall otherwise indemnify MLF, Amalco and the

Transfer Agent against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

### **3.04 Withholding Rights**

MLF and Amalco will be entitled to deduct and withhold from amounts payable under this Plan of Arrangement to any Person, such amounts as MLF and Amalco, respectively, are required or permitted to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

### **3.05 Restatement of Articles**

Outside of and not as part of this Plan of Arrangement, the articles of MLF will be restated to reflect the amendments in this Plan of Arrangement and the restated articles of MLF will be filed with the Director pursuant to Section 180 of the CBCA. Outside of and not as part of this Plan of Arrangement, the articles of Amalco will be restated to reflect this Plan of Arrangement and the restated articles of Amalco will be filed with the Director pursuant to Section 180 of the CBCA.

## **ARTICLE 4 AMENDMENTS**

### **4.01 Amendments to Plan of Arrangement**

- (a) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by MLF at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted by the requisite majority of MLF Shareholders at the Meeting, will become part of this Plan of Arrangement for all purposes.
- (b) Following the Meeting, this Plan of Arrangement may be amended, modified or supplemented unilaterally by MLF, provided that each such amendment, modification or supplement is approved by the Court and communicated to any Persons in the manner required by the Court.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting will be effective only if it is consented to by MLF and, if required by the Court, is consented to by or communicated to the MLF Shareholders in the manner directed by the Court.
- (d) Notwithstanding Section 4.01(b), any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by MLF, provided that it concerns a matter which, in the reasonable opinion of MLF, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial interests of any holder of MLF Common Shares or Amalco Common Shares.

## **ARTICLE 5 FURTHER ASSURANCES**

### **5.01 Further Assurances**

Notwithstanding that the transactions and events set out herein will occur and will be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

## **ARTICLE 6 TERMINATION**

### **6.01 Termination**

Notwithstanding any prior approvals by the Court or by MLF Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the issuance of the Certificate of Arrangement, without further approval of the Court or the MLF Shareholders.

i. Exhibit I

A. Initial Amendment to the Articles of  
Maple Leaf Foods Inc.

**A. COMMON SHARES**

Subject to the terms and conditions of the Preferred Shares and the Special Shares of the Corporation, the Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

Dividends

1. The Common Shares, the Non-Voting Common Shares and the Arrangement Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Common Shares, Non-Voting Common Shares and Arrangement Common Shares issued and outstanding without preference or distinction.

Voting Rights

2. The holders of the Common Shares shall be entitled to receive notice of, to attend, and to vote at all meetings of shareholders of the Corporation. At such meetings, the holders of the Common Shares shall be entitled to one vote for each Common Share held.

Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Common Shares, the holders of the Non-Voting Common Shares and the holders of Arrangement Common Shares shall be paid or distributed equally, share for share, to the holders of the Common Shares, the holders of the Non-Voting Common Shares and the holders of Arrangement Common Shares, respectively, without preference or distinction.

Equality of Shares

4. Except as provided for herein, each Common Share, each Non-Voting Common Share and each Arrangement Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Non-Voting Common Shares and/or the Arrangement Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Common Shares to preserve the equivalence of such classes of shares provided for herein.

**B. ARRANGEMENT COMMON SHARES**

The Arrangement Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

Dividends

1. The Common Shares, the Non-Voting Common Shares and the Arrangement Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Common Shares, Non-Voting Common Shares and Arrangement Common Shares issued and outstanding without preference or distinction.

### Voting Rights

2. The holders of the Arrangement Common Shares shall be entitled to receive notice of, to attend, and to vote at all meetings of shareholders of the Corporation. At such meetings, the holders of the Common Shares shall be entitled to two votes for each Arrangement Common Share held.

### Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Common Shares, the holders of the Non-Voting Common Shares and the holders of the Arrangement Common Shares shall be paid or distributed equally, share for share, to the holders of the Common Shares, the holders of the Non-Voting Common Shares and the holders of the Arrangement Common Shares, respectively, without preference or distinction.

### Equality of Shares

4. Except as provided for herein, each Common Share, each Non-Voting Common Share and each Arrangement Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Non-Voting Common Shares and/or the Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Arrangement Common Shares to preserve the equivalence of such classes of shares provided for herein.

## **C. NON-VOTING COMMON SHARES**

The Non-Voting Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

### Dividends

1. The Non-Voting Common Shares, the Common Shares and the Arrangement Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Non-Voting Common Shares, Common Shares and Arrangement Common Shares issued and outstanding without preference or distinction.

### Non-Voting Rights

2. Except as required by law, the holders of the Non-Voting Common Shares as a class shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Non-Voting Common Shares shall be entitled to receive notice of and to attend meetings of holders of voting shares of the Corporation except meetings at which only holders of a specified class of shares are entitled to vote. The holders of Non-Voting Common Shares shall not be entitled to vote separately as a class, and shall not be entitled to dissent, upon a proposal to amend the articles to: (a) increase or decrease any maximum number of authorized Non-Voting Common Shares resulting from a subdivision or consolidation respectively; (b) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the Non-Voting Common Shares; (c) effect an exchange, reclassification or cancellation of the Non-Voting Common Shares; or (d) create a new class or series of a class of shares equal or superior to the Non-Voting Common Shares, unless the holders of Non-Voting Common Shares are being affected by such amendment in a manner differently from the holders of Common Shares.

### Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Non-Voting Common Shares, the holders of the Common Shares and the holders of the Arrangement Common Shares shall be paid or distributed equally, share for share, to the holders of the Non-Voting Common Shares, the holders of the

Common Shares and the holders of the Arrangement Common Shares, respectively, without preference or distinction.

#### Equality of Shares

4. Except as provided for herein, each Non-Voting Common Share, each Common Share and each Arrangement Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Common Shares and/or the Arrangement Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Non-Voting Common Shares to preserve the equivalence of such classes of shares provided for herein.

#### Conversion of Non-Voting Common Shares into Common Shares

5. The Non-Voting Common Shares, or any of them, may, upon and subject to the terms and conditions hereinafter set forth, be converted at any time by the holder or holders thereof into fully paid Common Shares of the Corporation as the same shall be constituted at the time of conversion on the basis of one (1) Common Share as presently constituted for one (1) Non-Voting Common Share; provided, however, that in the event of liquidation, dissolution or winding-up of the Corporation, such right of conversion shall cease and expire at noon on the business day next preceding the date of such liquidation, dissolution or winding-up. A holder of Non-Voting Common Shares desiring to convert such shares into Common Shares in accordance with the foregoing shall surrender the certificate or certificates representing the Non-Voting Common Shares to be converted to the registered office of the Corporation, accompanied by a request in writing for such conversion with the holder's signature thereon verified, and any other documentation as the directors of the Corporation may from time to time require, and thereupon there shall be issued to such holder by the Corporation, as fully paid and nonassessable, the number of Common Shares to which the holder is entitled to upon such conversion. Any such conversion of Non-Voting Common Shares into Common Shares shall be deemed to occur on the date such certificate, request in writing and other documentation is delivered to the registered office of the Corporation. The holder shall pay any governmental or other tax imposed on or in respect of such conversion. If only a part of the Non-Voting Common Shares represented by any certificate is to be converted, a new certificate for the balance of the Non-Voting Common Shares held by such shareholder shall be issued by the Corporation.

#### Automatic Conversion of Non-Voting Common Shares Upon Transfer

6. If, at any time, a holder of Non-Voting Common Shares transfers all or a portion of the Non-Voting Common Shares held by such holder, the shares being transferred shall be automatically converted upon such transfer into fully paid Common Shares of the Corporation on the basis of one Common Share for each Non-Voting Common Share simultaneously upon the completion of such transfer, without any further action by the Corporation or any other person, so that the transferee will be a holder of Common Shares in equal number to the Non-Voting Common Shares transferred by the transferor. Following the transfer, the transferee shall surrender to the registered office of the Corporation the certificate or certificates representing the Non-Voting Common Shares transferred by the transferor, accompanied by written evidence of the transfer, as the directors of the Corporation may from time to time require. Upon such surrender, a new share certificate representing an equal number of Common Shares shall be issued to the transferee. If only a part of the Non-Voting Common Shares represented by a certificate were transferred, a new share certificate representing the number of Common Shares received by the transferee shall be issued by the Corporation. In addition, the Corporation shall issue to the transferor a new share certificate representing the portion of Non-Voting Common Shares evidenced by the original certificate which were not transferred by the transferor.

### **D. PREFERRED SHARES**

The Preferred Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

#### Directors' Authority to Issue in One or More Series

1. The directors of the Corporation may issue the Preferred Shares at any time and from time to time in one or more series.



### Terms of Each Series

2. Before the first shares of a particular series are issued, the board of directors of the Corporation shall, subject to the limitation on the number of Preferred Shares to be issued as set forth below, fix the number of shares in such series and shall determine, subject to any limitations set forth in these provisions as more fully set forth below, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, the rate and amount of any dividends to be declared, the method of calculation of such dividends and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such dividends shall accrue, the terms of redemption, including the redemption price and other terms and conditions of redemption, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights and the conversion or exchange rights (if any) and any sinking fund, purchase fund or other provisions attaching thereto.

### First Shares of Each Series

3. Before the issue of the first shares of a series, the board of directors of the Corporation shall send to the Director (as defined in the *Canada Business Corporations Act*) articles of amendment containing a description of such series including the designations, rights, privileges, restrictions and conditions determined by the directors.

### Ranking of Each Series of Preferred Shares

4. No rights, privileges, restrictions or conditions attaching to a series of Preferred Shares shall confer upon a series a priority over any other series of Preferred Shares in respect of redemption, the payment of dividends, the return of capital or the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in redemption, the payment of dividends, the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

### Priority

5. Each series of Preferred Shares shall have priority over the Common Shares, the Non-Voting Common Shares and any other class of shares of the Corporation ranking junior to the Preferred Shares, and each series of Preferred Shares shall rank on parity with every other series of Preferred Shares, in each case with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

### Other Preferences

6. The Preferred Shares of any series may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares, the Non-Voting Common Shares and over any other class of shares of the Corporation ranking junior to the Preferred Shares as may be determined by the board of directors of the Corporation.

### Dividends

7. The holders of each series of Preferred Shares shall be entitled to receive cumulative dividends as and when declared by the board of directors of the Corporation at a rate per share per annum as determined by the board of directors of the Corporation, acting in good faith, provided, such rate per annum does not exceed by more than 2% the yield to maturity of an unsecured bond with a Comparable Credit Rating issued by a Comparable Issuer on the Determination Date or such other date as close as practicable to such date, such bond having the same or as close as possible term to maturity as is equal to the period until the series of Preferred Shares are first redeemable in whole or in part. Dividends shall be payable at such places, at such times and with such frequency as may be determined by the board of directors of the Corporation. For purposes hereof:

**“Comparable Issuer”** refers to an issuer selected by the board of directors of the Corporation as being comparable to the Corporation in terms of industry focus and whose outstanding unsecured long-term debt securities have a Comparable Credit Rating.

**“Comparable Credit Rating”** means a credit rating that is the same or that is the closest as possible to the credit rating of the outstanding long-term debt securities of the Corporation.

**“Determination Date”** means the date the rights, privileges, restrictions and conditions attaching to the shares of such series of Preferred Shares are determined.

#### Participation

8. If any cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding up of the Corporation in respect of a series of Preferred Shares are not paid in full, the Preferred Shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Preferred Shares of the amount so payable to such holders as herein provided, the holders of such series of Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Corporation in the event of the liquidation, dissolution or winding up of the Corporation.

#### Conversion Rights

9. No series of Preferred Shares shall be convertible into any other class of shares of the Corporation.

#### Redemption

10. Each series of Preferred Shares shall be redeemable by the Corporation on such terms as determined by the board of directors of the Corporation.

#### Voting Rights

11. Holders of any series of Preferred Shares shall not be entitled to receive notice of, to attend or to vote at any shareholders' meeting of the Corporation except: (a) as provided by law; or (b) upon an event of default by the Corporation where the board of directors of the Corporation has not declared the whole dividend on the particular series of Preferred Shares in any period and in that event, such holders shall be entitled to receive notice of, to attend and to vote at the shareholders' meetings (with one vote for each share held), which voting rights shall cease upon payment by the Corporation of the dividend to which holders are entitled.

#### Variation of Rights

12. The provisions of the Preferred Shares and any series thereof may be amended or repealed at any time with such approval as may be required by law.

#### Limitation on Number of Preferred Shares to be Issued

13. Whenever a share of any series of Preferred Shares is to be issued, the aggregate number of Preferred Shares of such series to be issued shall not exceed that number that is equal to: (A) (i) 25% of the Common Share Market Capitalization as of the Measurement Time, minus (ii) the Preferred Share Market Capitalization as of the Measurement Time, all divided by (B) the issuance price per share of the series of Preferred Shares to be issued.

**“Common Share Market Capitalization”** means the aggregate value of the Corporation's Common Shares and Non-Voting Common Shares issued and outstanding as of the Measurement Time calculated based on the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (or any successor exchange thereto on which the Common Shares may then be traded) for the five (5) trading days immediately preceding the Measurement Time.

**“Preferred Share Market Capitalization”** means the aggregate value of all Preferred Shares of all series issued and outstanding as of the Measurement Time calculated based on the issuance price per share of each such Preferred Share.

**“Measurement Time”** means 5:00 p.m. (Toronto time) on the date on which the board of directors of the Corporation determines the issuance price per share of the series of Preferred Shares to be issued.

## **E. SPECIAL SHARES**

The Special Shares shall carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

### Definitions

1. For the purposes of this Section E, the following words and phrases shall have the following meanings:
  - (a) **“Butterfly Proportion”** means the fraction A/B where:
    - (i) A = the Net Fair Market Value of the Transferred Property to be transferred by the Corporation to Newco as described in Section 2.03(g) of the Plan of Arrangement, determined immediately before such transfer; and
    - (ii) B = the Net Fair Market Value of all property owned by the Corporation, determined immediately before the transfer of the Transferred Property by the Corporation to Newco as described in Section 2.03(g) of the Plan of Arrangement.
  - (b) **“Dividend Payment Date”** means the last day of the Corporation’s fiscal year.
  - (c) **“MLF Common Shares”** has the meaning attributed to such term in the Plan of Arrangement.
  - (d) **“Net Fair Market Value”** of any property shall be determined in accordance with all administrative policies of the Canada Revenue Agency and net of related liabilities, if any.
  - (e) **“Newco”** has the meaning attributed to such term in the Plan of Arrangement.
  - (f) **“Period End Date”** has the meaning attributed to such term in paragraph 2 below.
  - (g) **“Plan of Arrangement”** means the Plan of Arrangement to which this Exhibit I is attached.
  - (h) **“Prime Rate”** means, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by the Royal Bank of Canada on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by the Royal Bank of Canada as its prime rate.
  - (i) **“Redemption Amount”** has the meaning attributed to such term in paragraph 4 below.
  - (j) **“Retraction Date”** has the meaning attributed to such term in paragraph 5 below.
  - (k) **“Transferred Property”** has the meaning attributed to such term in the Plan of Arrangement.

### Dividends

2. The holders of the Special Shares will be entitled to receive, as and when declared by the board of directors of the Corporation and in priority to any payment of dividends on the Common Shares of the Corporation, the Non-Voting Common Shares of the Corporation, the Arrangement Common Shares of the Corporation, or the Preferred Shares of the Corporation, fixed, preferential, non-cumulative, cash dividends equal to the Redemption Amount multiplied by the Prime Rate as of the Dividend Payment Date, payable per annum on the Dividend Payment Date. The holders of the Special Shares shall not be entitled to any dividend other than or in excess of the non-cumulative cash dividends provided for above. If within three months after the expiration of any fiscal year of the Corporation the board of directors of the Corporation in its discretion

shall not have declared the said fixed preferential dividend or any part thereof on the Special Shares for such fiscal year then the rights of the holders of the Special Shares to such dividend or any undeclared part thereof shall be forever extinguished. For any period which is less than a full year with respect to any Special Share which is issued, redeemed or repurchased during such year, dividends shall be deemed to accrue on a daily basis and shall be equal to the product of  $A \times B \times C$ , where: A = the Redemption Amount; B = the Prime Rate as of the Period End Date; and C = a fraction of which the numerator is the number of days in such period (including the day at the beginning of such period and excluding the day at the end of such period (the “**Period End Date**”)) and of which the denominator is the number of days in such year (including the day at the beginning thereof and excluding the Dividend Payment Date at the end thereof). If, by reason of insolvency provisions of applicable law or for any other reason, on any Dividend Payment Date the dividends declared as of such date are not paid in full on all of the Special Shares then outstanding, such unpaid dividends shall be paid on a subsequent date or dates determined by the board of directors of the Corporation. The board of directors of the Corporation may, in its sole discretion, declare dividends on the Special Shares to the exclusion of any other class of shares of the Corporation.

#### Liquidation, Dissolution or Winding Up

3. 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 Special Shares will be entitled to receive, before any amount shall be paid by the Corporation, or any assets of the Corporation shall be distributed, to the holders of Common Shares of the Corporation, the Non-Voting Common Shares of the Corporation, the Arrangement Common Shares of the Corporation, or the Preferred Shares of the Corporation, an amount equal to the Redemption Amount in respect of each Special Share held by them, respectively, to the extent of the amount or value of the assets of the Corporation available under applicable law for payment to holders of shares of the Corporation upon liquidation, dissolution or winding up of the Corporation. After payment to the holders of the Special Shares of the amount provided above in this paragraph 3 such holders will not be entitled to share in any further distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

#### Redemption by Corporation

4. The Corporation may redeem at any time the whole, or from time to time any part, of the then issued and outstanding Special Shares from the holders thereof on payment (which may, at the discretion of the Corporation, be made through the issuance of a promissory note or promissory notes) of: (a) an amount for each Special Share to be redeemed equal to the aggregate fair market value of all of the issued and outstanding MLF Common Shares as of immediately before the completion of the transactions contemplated by Section 2.03(c) of the Plan of Arrangement multiplied by the Butterfly Proportion and then divided by the number of Special Shares issued pursuant to Section 2.03(c) of the Plan of Arrangement; and (b) all declared and unpaid dividends on such Special Share (collectively, the “**Redemption Amount**”).

#### Retraction by Holder

5. Subject to applicable law, a holder of Special Shares will be entitled to require the Corporation to redeem, at any time, all or any of the Special Shares held by such holder, by tendering to the Corporation at its registered office a share certificate or certificates representing the Special Shares that the holder wishes to have the Corporation redeem together with a written request specifying the number of Special Shares to be redeemed and the business day (referred to herein as the “**Retraction Date**”) on which the holder wishes to have the Corporation redeem the Special Shares. Following receipt of such share certificate or certificates and written request, the Corporation will, on the Retraction Date (or as soon as practicable thereafter), redeem such Special Shares by paying to the holder the Redemption Amount for each Special Share so redeemed.

#### Cancellation

6. Any Special Shares that are redeemed by the Corporation as aforesaid will for all purposes be considered to have been redeemed on, and will be cancelled concurrently with, the payment of the Redemption Amount by the Corporation to or for the benefit of the holder thereof.

No Dilution

7. For so long as any Special Shares are outstanding, the Corporation will not: (a) declare or pay any dividend on the common shares of the Corporation or the Arrangement Common Shares of the Corporation; or (b) redeem, purchase for cancellation or otherwise acquire any common shares of the Corporation or Arrangement Common Shares of the Corporation, if, in the opinion of the board of directors, the payment of such dividend or the consideration payable in connection with such redemption, purchase or other acquisition, as the case may be, would reduce the net realizable value of the assets of the Corporation (after taking into account all liabilities of the Corporation) to an amount that is less than the product of the Redemption Amount of each Special Share multiplied by the number of Special Shares outstanding immediately before the time of payment of such dividend or consideration, as the case may be.

Voting Rights

8. Subject to applicable law, holders of Special Shares will not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and will not be entitled to vote at any such meeting.

Specified Amount

9. For the purposes of Section 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of the redemption, acquisition or cancellation of each Special Share shall be the amount specified by a director or an officer of the Corporation in a certificate that is made (a) effective concurrently with the issuance of such Special Share; and (b) pursuant to a resolution of the board of directors duly passed and evidenced in writing authorizing the issuance of such Special Share, such amount to be expressed as a dollar amount (and not expressed as a formula) and shall be equal to the fair market value of the consideration for which such Special Share is issued.

ii. Exhibit II

A. Initial Amendment to the Articles of  
16923534 Canada Inc.

**A. COMMON SHARES**

The common shares of the Corporation shall entitle the holders thereof to vote, on the basis of one vote per common share, at all meetings of shareholders, except meetings at which only holders of another specified class of shares are entitled to vote, and shall, subject to the rights, privileges, restrictions and conditions attaching to the Preferred Shares, whether as a class or a series, and to any other class or series of shares of the Corporation which rank prior to the common shares, entitle the holders thereof to receive (a) 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 amount and payable at such times and at such place or places as the board of directors may from time to time determine and (b) the remaining property of the Corporation upon a dissolution.

**B. PREFERRED SHARES**

The Preferred Shares shall carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

Definitions

1. For the purposes of this Section B, the following words and phrases shall have the following meanings:
  - (a) **"Dividend Payment Date"** means the last day of the Corporation's fiscal year.
  - (b) **"Period End Date"** has the meaning attributed to such term in paragraph 2 below.
  - (c) **"Plan of Arrangement"** means the Plan of Arrangement to which this Exhibit II is attached.
  - (d) **"Prime Rate"** means, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by the Royal Bank of Canada on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by the Royal Bank of Canada as its prime rate.
  - (e) **"Redemption Amount"** has the meaning attributed to such term in paragraph 4 below.
  - (f) **"Retraction Date"** has the meaning attributed to such term in paragraph 5 below.
  - (g) **"Transferred Property"** has the meaning attributed to such term in the Plan of Arrangement.

Dividends

2. The holders of the Preferred Shares will be entitled to receive, as and when declared by the board of directors of the Corporation and in priority to any payment of dividends on the common shares of the Corporation, fixed, preferential, non-cumulative, cash dividends equal to the Redemption Amount multiplied by the Prime Rate as of the Dividend Payment Date, payable per annum on the Dividend Payment Date. The holders of the Preferred Shares shall not be entitled to any dividend other than or in excess of the non-cumulative cash dividends provided for above. If within three months after the expiration of any fiscal year of the Corporation the board of directors of the Corporation in its discretion shall not have declared the said fixed preferential dividend or any part thereof on the Preferred Shares for such fiscal year then the rights of the holders of the Preferred Shares to such dividend or any undeclared part thereof shall be forever extinguished. For any period which is less than a full year with respect to any Preferred Share which is issued, redeemed or repurchased during such year, dividends shall be deemed to accrue on a daily basis and shall be equal to the product of  $A \times B \times C$ , where: A = the Redemption Amount; B = the Prime Rate as of the Period End Date; and C = a fraction of which the numerator is the number of days in such period (including the day at the beginning of such period and excluding the day at the end of such period (the



“**Period End Date**”) and of which the denominator is the number of days in such year (including the day at the beginning thereof and excluding the Dividend Payment Date at the end thereof). If, by reason of insolvency provisions of applicable law or for any other reason, on any Dividend Payment Date the dividends declared as of such date are not paid in full on all of the Preferred Shares then outstanding, such unpaid dividends shall be paid on a subsequent date or dates determined by the board of directors of the Corporation. The board of directors of the Corporation may, in its sole discretion, declare dividends on the Preferred Shares to the exclusion of any other class of shares of the Corporation.

#### Liquidation, Dissolution or Winding Up

3. 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 Preferred Shares will be entitled to receive, before any amount shall be paid by the Corporation, or any assets of the Corporation shall be distributed, to the holders of common shares of the Corporation or holders of any other shares of any other class of the Corporation, an amount equal to the Redemption Amount in respect of each Preferred Share held by them, respectively, to the extent of the amount or value of the assets of the Corporation available under applicable law for payment to holders of shares of the Corporation upon liquidation, dissolution or winding up of the Corporation. After payment to the holders of the Preferred Shares of the amount provided above in this paragraph 3, such holders will not be entitled to share in any further distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

#### Redemption by Corporation

4. The Corporation may redeem at any time the whole, or from time to time any part, of the then issued and outstanding Preferred Shares from the holders thereof on payment (which may, at the discretion of the Corporation, be made through the issuance of a promissory note or promissory notes) of: (a) an amount for each Preferred Share to be redeemed equal to the net fair market value of Transferred Property received by the Corporation pursuant to Section 2.03(g) of the Plan of Arrangement, divided by the number of Preferred Shares issued pursuant to Section 2.03(g) of the Plan of Arrangement; and (b) all declared and unpaid dividends on such Preferred Share (collectively, the “**Redemption Amount**”).

#### Retraction by Holder

5. Subject to applicable law, a holder of Preferred Shares will be entitled to require the Corporation to redeem, at any time, all or any of the Preferred Shares held by such holder, by tendering to the Corporation at its registered office a share certificate or certificates representing the Preferred Shares that the holder wishes to have the Corporation redeem together with a written request specifying the number of Preferred Shares to be redeemed and the business day (referred to herein as the “**Retraction Date**”) on which the holder wishes to have the Corporation redeem the Preferred Shares. Following receipt of such share certificate or certificates and written request, the Corporation will, on the Retraction Date (or as soon as practicable thereafter), redeem such Preferred Shares by paying to the holder the Redemption Amount for each Preferred Share so redeemed.

#### Cancellation

6. Any Preferred Shares that are redeemed by the Corporation as aforesaid will for all purposes be considered to have been redeemed on, and will be cancelled concurrently with, the payment of the Redemption Amount by the Corporation to or for the benefit of the holder thereof.

#### No Dilution

7. For so long as any Preferred Shares are outstanding, the Corporation will not: (a) declare or pay any dividend on the shares of any other class of the Corporation; or (b) redeem, purchase for cancellation or otherwise acquire any shares of any other class of the Corporation, if, in the opinion of the board of directors, the payment of such dividend or the consideration payable in connection with such redemption, purchase or other acquisition, as the case may be, would reduce the net realizable value of the assets of the Corporation (after taking into account all liabilities of the Corporation) to an amount that is less than the product of the Redemption Amount of each Preferred Share multiplied by the number of Preferred Shares outstanding immediately before the time of payment of such dividend or consideration, as the case may be.



Voting Rights

8. Subject to applicable law, holders of the Preferred Shares will not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and will not be entitled to vote at any such meeting.

Specified Amount

9. For the purposes of Section 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of the redemption, acquisition or cancellation of each Preferred Share shall be the amount specified by a director or an officer of the Corporation in a certificate that is made (a) effective concurrently with the issuance of such Preferred Share; and (b) pursuant to a resolution of the board of directors duly passed and evidenced in writing authorizing the issuance of such Preferred Share, such amount to be expressed as a dollar amount (and not expressed as a formula) and shall be equal to the fair market value of the consideration for which such Preferred Share is issued.

iii. Exhibit III

**ARTICLES OF CANADA PACKERS INC.**

**A. COMMON SHARES**

The common shares of the Corporation shall entitle the holders thereof to vote, on the basis of one vote per common share, at all meetings of shareholders, except meetings at which only holders of another specified class of shares are entitled to vote, and shall, subject to the rights, privileges, restrictions and conditions attaching to the Preferred Shares, whether as a class or a series, and to any other class or series of shares of the Corporation which rank prior to the common shares, entitle the holders thereof to receive (a) 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 amount and payable at such times and at such place or places as the board of directors may from time to time determine and (b) the remaining property of the Corporation upon a dissolution.

**B. PREFERRED SHARES**

The Preferred Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

**Directors' Authority to Issue in One or More Series**

1. The Preferred Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Preferred Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, the articles of the Corporation and the provisions of the *Canada Business Corporations Act*, by resolution amend the articles of the Corporation to fix the number of Preferred Shares in such series and determine the designation of, and the rights, restrictions, privileges and conditions attached to, the Preferred Shares of such series including, without limitation:
  - (a) the rate, amount or method of calculation of any dividends and whether such rate, amount or method of calculation is subject to adjustment;
  - (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
  - (c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;
  - (d) if redeemable, retractable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption, retraction or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
  - (e) any rights of conversion, exchange or reclassification and the terms and conditions of such rights; and
  - (f) any other rights, privileges, restrictions and conditions not inconsistent with these provisions;

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

**Ranking of Preferred Shares of Each Series**

2. The Preferred Shares of each series shall with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding up its affairs, rank (a) on a parity with the Preferred Shares of every other series and (b) senior to the shares of any other class ranking junior to the Preferred Shares. The Preferred Shares of any series

shall also be entitled to such other preferences, not inconsistent with these provisions, over the shares of any other class ranking junior to the Preferred Shares as may be fixed in accordance with section 1 above.

#### Voting Rights

3. Except as hereinafter specifically provided, as required by the *Canada Business Corporations Act*, by law or as may be required by an order of a court of competent jurisdiction or in accordance with any voting rights which may be attached to any series of Preferred Shares, the holders of Preferred Shares shall not be entitled as such to receive notice of, or attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any meeting. The holders of Preferred Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on any proposal to amend the articles of the Corporation referred to in paragraph (a), (b) or (e) of subsection 176(1) of the *Canada Business Corporations Act*. In the event of any meeting of the holders of Preferred Shares, or any series thereof, each holder of Preferred Shares shall be entitled to one vote in respect of each Preferred Share held. Any approval required to be given by the holders of Preferred Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all the holders of the then outstanding Preferred Shares or by a resolution passed by the affirmative vote of not less than 66⅔% of the votes cast by holders of Preferred Shares who voted in respect of that resolution at a meeting of the holders of Preferred Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than twenty-five percent (25%) of the then outstanding Preferred Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the *Canada Business Corporations Act*, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Preferred Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than 66⅔% of the votes cast by the holders of Preferred Shares at such meeting shall constitute the approval of the holders of Preferred Shares. Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the *Canada Business Corporations Act* and the by-laws of the Corporation with respect to meetings of shareholders.

iv. Exhibit IV

CANADA PACKERS INC.

A. By-Law Number 1

A By-law relating generally to  
the transaction of the business  
and affairs of  
Canada Packers Inc.

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## 1 - INTERPRETATION

### 1.1 Definitions - In this by-law and all other by-laws of the Corporation:

- (a) “the Act” means the *Canada Business Corporations Act* or any statute which may be substituted therefor, including the regulations thereunder, as amended from time to time;
- (b) “articles” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival of the Corporation and includes any amendments thereto;
- (c) “board” means the board of directors of the Corporation;
- (d) “business day” means a day other than a “non-business day”;
- (e) “Corporation” means Canada Packers Inc.;
- (f) “meeting of shareholders” means an annual meeting of shareholders or a special meeting of shareholders;
- (g) “non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada);
- (h) “officer” means any individual appointed as an officer by the board under the provisions of Section 6.1;
- (i) “person” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
- (j) words importing the singular number also include the plural and vice-versa; words importing the masculine gender include the feminine and neuter genders;
- (k) subject to the foregoing, all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act or in the related Parts thereof.

## 2 - GENERAL BUSINESS

2.1 Registered Office - Until changed in accordance with the Act, the registered office of the Corporation shall be in the province within Canada specified in the articles and at such place and address therein as the board may from time to time determine.

2.2 Corporate Seal - The Corporation may have a corporate seal which shall be adopted and may be changed by the board.

2.3 Financial Year - The financial year of the Corporation shall end on the last Sunday in December of each year or on any other date fixed from time to time by a resolution of the board.

2.4 Execution of Instruments - The board shall from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed or executed on behalf of the Corporation. Notwithstanding the generality of the foregoing, the board may permit or direct that:

- (a) subject to the Act, any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by means of secure electronic signature (as defined in the Act) or facsimile;
- (b) any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed, whether manually or

electronically, by one or more of such persons, shall be an original and all such counterparts together shall constitute one and the same such instrument or document; and

- (c) subject to the Act, wherever a notice, resolution, requisition, statement or other document or other information is required to be created in writing, that requirement be satisfied by the creation of an electronic document.

Where appropriate such instruments may be executed under the corporate seal.

2.5 Authority to Act for Corporation - The board shall from time to time and on such terms and conditions as it may specify authorize any person or class of persons, for and on behalf of the Corporation:

- (a) to make, enter into, execute and deliver any and all leases, extensions and renewals of leases, deeds, assignments, transfers, discharges, releases and main levées;
- (b) to acquire, to dispose of or to take security upon any property whether real or personal, movable or immovable;
- (c) to grant security on any property whether real or personal, movable or immovable;
- (d) to surrender or release security upon any property whether real or personal, movable or immovable; and
- (e) to do any one or more of the foregoing acts relating to any class of transactions or matters.

2.6 Delegation - Subject to the Act, the board may from time to time delegate to a director, a committee of directors or an officer of the Corporation or such other person or persons so designated by the board all or any of the powers conferred on the board by Section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

### **3 - BORROWING AND BANKING**

3.1 Borrowing - Without limit to the powers of the board as provided in the Act, the board may from time to time on behalf of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation; and
- (d) give, directly or indirectly, financial assistance to any person by means of a loan, or guarantee to secure the performance of an obligation or otherwise.

3.2 Banking Arrangements - The banking business of the Corporation, or of any part or division of the Corporation, shall be transacted with such bank, trust company or other firm or body corporate as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time and to the extent thereby provided. Notwithstanding the generality of the foregoing, the board may delegate to officers of the Corporation the authority to designate the employees, by name or by title, who may sign jointly, cheques or other instruments of payment of the Corporation.

### **4 - DIRECTORS**

4.1 Duties of Directors - The board shall manage or supervise the management of, the business and affairs of the Corporation.

4.2 Quorum - Subject to the Act, a majority of the number of directors fixed or elected by shareholders from time to time shall constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of directors may exercise all the powers of the board.

4.3 Meetings by Telephone, Electronic or other Communication Facility - Subject to the Act, if all of the directors of the Corporation consent, a director may participate in a meeting of directors or of a committee of directors by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board held while a director holds office.

4.4 Place of Meetings - Meetings of the board may be held at the registered office of the Corporation or at any other place within or outside Canada.

4.5 Calling of Meetings - Meetings of the board shall be held from time to time at such place, on such day and at such time as the board, the chairman of the board, the chief executive officer or any two directors may determine.

4.6 Notice of Meetings - Notice of the time and place of each meeting of the board shall be given in writing, including by electronic means or by facsimile, to each director not less than 48 hours, exclusive of non-business days, before the time when the meeting is to be held. To the extent feasible, the Notice of Meeting shall specify the business to be transacted at the meeting. A majority of the directors may determine that a matter may be dealt with at the meeting notwithstanding the failure to provide notice to directors in the manner specified in this Section 4.6.

4.7 First Meeting of New Board - Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting following the meeting of shareholders at which such board is elected.

4.8 Votes to Govern - At all meetings of the board any question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is required or demanded.

4.9 Conflict of Interest - A director or an officer of the Corporation who is a party to or is a director or officer of or has a material interest in any person who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation shall disclose the nature and extent of his interest in writing to the Corporation or request that such information be entered in minutes of meetings of the board in a manner specified by the board and such officer or director shall otherwise comply with the provisions of the Act. For purposes of this Section 4.9, a "material contract" or "material transaction" is one that is material to the Corporation or is material to the director or officer.

## 5 - COMMITTEES

5.1 Committees of Directors - The board may appoint a committee or committees of directors, however designated, and, subject to the Act, may delegate to such committee or committees any of the powers of the board.

5.2 Procedure - Unless otherwise provided in the by-laws or determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure. Unless otherwise determined by the board, the provisions of Sections 4.3, 4.4, 4.5, 4.6 and 4.8 shall apply equally to meetings of each committee.

## 6 - OFFICERS

6.1 Appointment of Officers - Subject to Sections 6.2 and 6.3 the board may from time to time appoint such officers as the board may determine. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation.

6.2 Chief Executive Officer - The board shall designate a chief executive officer. The chief executive officer shall have general supervision of the business and affairs of the Corporation, subject to the direction of the board.



6.3 Secretary - The secretary shall attend and be the secretary of all meetings of the board and shareholders; shall give or cause to be given notice of such meetings; and shall be the custodian of the corporate seal and of the records and contracts, documents and other instruments of the Corporation except when some other person has been designated for that purpose by the board.

6.4 Term of Office - Every officer shall hold office at the pleasure of the board.

## **7 - PROTECTION OF DIRECTORS AND OFFICERS**

### **7.1 Indemnity of Directors and Officers**

- (a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer or an individual acting in a similar capacity, of another entity against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by such individual in respect of any civil, criminal or administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation may advance moneys to such individual for the costs, charges and expenses of a proceeding referred to in (a) provided such individual agrees in advance, in writing, to repay the moneys if the individual does not fulfil the condition of paragraph (c).
- (c) The Corporation may not indemnify an individual under paragraph (a) unless the individual:
  - (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request, as the case may be; and
  - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.
- (d) The Corporation may also seek the approval of a court to indemnify an individual referred to in paragraph (a), or advance monies under paragraph (b) in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour, to which such individual is made a party because of the individual's association with the Corporation or other entity as described in paragraph (a) against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in paragraph (c).
- (e) Despite paragraph (a), an individual referred to in that paragraph is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the Corporation or other entity as described in paragraph (a), if the individual seeking indemnity:
  - (i) was not adjudged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and
  - (ii) fulfils the conditions set out in paragraph (c).

7.2 Insurance - The Corporation may purchase and maintain insurance for the benefit of an individual referred to in this Section 7 against any liability incurred by the individual:

- (a) in the individual's capacity as a director or officer or former director or officer of the Corporation; or
- (b) in the individual's capacity as a director or officer or former director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

7.3 Indemnification Not Exclusive - Each of the provisions of this Article 7 shall be in addition to and not in substitution for or derogation from any rights to which any person referred to herein may otherwise be entitled.

## **8 - MEETINGS OF SHAREHOLDERS**

8.1 Annual Meetings - Subject to the Act, the annual meeting of shareholders shall be held on such day and at such time in each year as the board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

8.2 Special Meetings - Subject to the Act, the board may at any time call a special meeting of shareholders to be held on such day and at such time as the board may determine for the purposes specified by the board and for the transaction of such other business as may be properly brought before the meeting.

8.3 Notice of Meeting - Notice of the time and place for holding a meeting of shareholders shall be given in the manner provided in Section 11.1 of this by-law not more than 50 days and not fewer than 21 days before the date of the meeting (or within such other time limits as may be prescribed by any other applicable statute or rule or regulation of a stock exchange) to each shareholder entitled to vote at the meeting, to each director and to the auditor of the Corporation.

8.4 Place of Meetings - Subject to the Act, meetings of shareholders shall be held at such place within Canada as the directors shall determine or at any place outside Canada that may be specified in the articles.

8.5 Participation in Meeting by Electronic Means - Subject to the Act, any person entitled to attend a meeting of shareholders may participate in the meeting, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes such a communication facility available. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

8.6 Chairman and Secretary - The chairman of the board or, in the chairman's absence, the vice chairman, if any, or in the vice chairman's absence, the chief executive officer, or in the chief executive officer's absence, the president or in the president's absence, a vice-president shall be chairman of any meeting of shareholders and, if none of the said officers be present within 15 minutes after the time appointed for holding the meeting, the persons present and entitled to vote shall choose a chairman from amongst themselves. The secretary of the Corporation shall act as secretary at any meeting of shareholders or, if the secretary of the Corporation be absent, the chairman of the meeting shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by the chairman with the consent of the meeting.

8.7 Persons Entitled to be Present - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

8.8 Quorum - At any meeting of shareholders, a quorum shall be at least two (2) persons present in person or represented by proxy holding or representing by proxy not less than one-third (1/3) of the shares entitled to be voted thereat. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

8.9 Proxies and Representatives - A shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the power conferred by the proxy.

8.10 Time for Deposit of Proxies - The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours, exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so

specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, it shall have been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

8.11 Voting - Subject to the Act, every matter at a meeting of shareholders shall be decided by a show of hands unless a ballot is required by the chairman or demanded by any person entitled to vote. Upon a show of hands every person entitled to vote shall have one vote. After a vote by a show of hands has been taken the chairman may still require or any person entitled to vote may still demand a ballot thereon. Whenever a vote by show of hands has been taken, unless a ballot is required or demanded, a declaration by the chairman of the meeting that the vote upon the matter has been carried or carried by a particular majority or not carried, and an entry to that effect in the minutes of the meeting, shall be, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution. Subject to the Act, any vote may be held entirely by means of a telephonic, electronic or other communication facility if the Corporation makes available such a communication facility. Subject to the Act, any person participating in a meeting of shareholders electronically and entitled to vote at the meeting may vote by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

8.12 Casting Vote - In case of an equality of votes at any meeting of shareholders either upon a show of hands or upon a ballot, the chairman of the meeting shall not be entitled to a second or casting vote.

8.13 Ballots - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairman may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which each person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

## 9 - SHARES

9.1 Securities Records - The Corporation shall maintain a register of shares and other securities in which it records the shares and other securities issued by it in registered form, showing with respect to each class or series of shares and other securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;
- (b) the number of shares or other securities held by each holder; and
- (c) the date and particulars of the issue and transfer of each share or other security.

9.2 Transfer Agent and Registrar - The board may appoint, remove or replace a transfer agent or a registrar and one or more branch transfer agents or registrars to maintain a central securities register and branch securities registers.

9.3 Registered Owner of Shares - Subject to the provisions of the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect thereof and otherwise to exercise all the rights and powers of an owner of a share.

9.4 Share Certificates - Unless otherwise ordered by the board, any share certificates shall be signed by any director or officer of the Corporation and need not be under corporate seal. Signatures may be printed or otherwise mechanically reproduced on the share certificates and every such signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. Share certificates representing shares in respect of which a transfer agent has been appointed shall be countersigned manually by or on behalf of such transfer agent. If a share certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the share certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the share certificate is as valid as if the person were a director or an officer at the date of its issue.

## 10 - DIVIDENDS AND RIGHTS

10.1 Dividends - Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

10.2 Record Date for Dividends - The board may fix in advance a date, preceding the date for the payment of any dividend by not more than 50 days, for the determination of the persons entitled to receive payment of such dividend. Notice of such date shall be given not less than seven business days prior to such date by press release and by written notice to each stock exchange on which the shares of the Corporation are listed for trading.

10.3 Non-receipt of Payment - In the event of non-receipt or loss of any dividend payment by the person to whom it is sent, the Corporation shall issue to such person a replacement payment for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

10.4 Unclaimed Dividends - Any dividend unclaimed after a period of two years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## 11 - MISCELLANEOUS

### 11.1 Method of Giving Notices

- (a) Any notice or other document to be given or sent by the Corporation to a shareholder, director or officer or to the auditor of the Corporation may be given or sent by prepaid mail addressed to, may be delivered personally to, or may be sent by means of fax, e-mail or other form of electronic transmission to, the person to whom it is to be given or sent at his latest address as shown in the records of the Corporation or its transfer agent or in any notice filed in accordance with the provisions of the Act.
- (b) To the extent permitted by law, in addition to the delivery methods set out in (a) above, any notice or other document to be given or sent by the Corporation to a shareholder may be sent by providing or posting the notice or other document on or making it available through a generally accessible electronic source and providing notice of the availability and location of the notice or other document to the shareholder via any of the methods specified in (a) above, including by mail, personal delivery, fax, e-mail or other form of electronic transmission. A notice or other document sent to a shareholder by posting it on or making it available through a generally accessible electronic source shall be deemed to be received on the day such person is sent notice of the availability and location of such notice or other document.

11.2 Waiver of Notice - Any shareholder (or such shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the sending of any notice, or waive or abridge the time for any notice, required to be given to such person under any provision of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11.3 Omissions and Errors - The accidental omission to give notice to any shareholder, director or officer or to the auditor or the non-receipt of any notice or any error in a notice not affecting the substance thereof shall not invalidate any action taken at any meeting called by such notice or otherwise founded thereon. Any notice with respect to any shares registered in more than one name may, if more than one address appears on the books of the Corporation in respect of such joint holding, be given the joint shareholders at any such address.

11.4 Invalidity - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

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v. Exhibit V

A. Subsequent Amendment to the  
Articles of Maple Leaf Foods Inc.

## **A. COMMON SHARES**

The Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

### Dividends

1. The Common Shares and the Non-Voting Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Common Shares and Non-Voting Common Shares issued and outstanding without preference or distinction.

### Voting Rights

2. The holders of the Common Shares shall be entitled to receive notice of, to attend, and to vote at all meetings of shareholders of the Corporation. At such meetings, the holders of the Common Shares shall be entitled to one vote for each Common Share held.

### Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Common Shares and the holders of the Non-Voting Common Shares shall be paid or distributed equally, share for share, to the holders of the Common Shares and the holders of the Non-Voting Common Shares, respectively, without preference or distinction.

### Equality of Shares

4. Except as provided for herein, each Common Share and each Non-Voting Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Non-Voting Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Common Shares to preserve the equivalence of such classes of shares provided for herein.

## **B. NON-VOTING COMMON SHARES**

The Non-Voting Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

### Dividends

1. The Non-Voting Common Shares and the Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Non-Voting Common Shares and Common Shares issued and outstanding without preference or distinction.



### Non-Voting Rights

2. Except as required by law, the holders of the Non-Voting Common Shares as a class shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Non-Voting Common Shares shall be entitled to receive notice of and to attend meetings of holders of voting shares of the Corporation except meetings at which only holders of a specified class of shares are entitled to vote. The holders of Non-Voting Common Shares shall not be entitled to vote separately as a class, and shall not be entitled to dissent, upon a proposal to amend the articles to: (a) increase or decrease any maximum number of authorized Non-Voting Common Shares resulting from a subdivision or consolidation respectively; (b) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the Non-Voting Common Shares; (c) effect an exchange, reclassification or cancellation of the Non-Voting Common Shares; or (d) create a new class or series of a class of shares equal or superior to the Non-Voting Common Shares, unless the holders of Non-Voting Common Shares are being affected by such amendment in a manner differently from the holders of Common Shares.

### Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Non-Voting Common Shares and the holders of the Common Shares shall be paid or distributed equally, share for share, to the holders of the Non-Voting Common Shares and the holders of the Common Shares, respectively, without preference or distinction.

### Equality of Shares

4. Except as provided for herein, each Non-Voting Common Share and each Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Non-Voting Common Shares to preserve the equivalence of such classes of shares provided for herein.

### Conversion of Non-Voting Common Shares into Common Shares

5. The Non-Voting Common Shares, or any of them, may, upon and subject to the terms and conditions hereinafter set forth, be converted at any time by the holder or holders thereof into fully paid Common Shares of the Corporation as the same shall be constituted at the time of conversion on the basis of one (1) Common Share as presently constituted for one (1) Non-Voting Common Share; provided, however, that in the event of liquidation, dissolution or winding-up of the Corporation, such right of conversion shall cease and expire at noon on the business day next preceding the date of such liquidation, dissolution or winding-up. A holder of Non-Voting Common Shares desiring to convert such shares into Common Shares in accordance with the foregoing shall surrender the certificate or certificates representing the Non-Voting Common Shares to be converted to the registered office of the Corporation, accompanied by a request in writing for such conversion with the holder's signature thereon verified, and any other documentation as the directors of the Corporation may from time to time require, and thereupon there shall be issued to such holder by the Corporation, as fully paid and nonassessable, the number of Common Shares to which the holder is entitled to upon such conversion. Any such conversion of Non-Voting Common Shares into Common Shares shall be deemed to occur on the date such certificate, request in writing and other documentation is delivered to the registered office of the Corporation. The holder shall pay any governmental or other tax imposed on or in respect of such conversion. If only a part of the Non-Voting Common Shares represented by any certificate is to be converted, a new certificate for the balance of the Non-Voting Common Shares held by such shareholder shall be issued by the Corporation.

#### Automatic Conversion of Non-Voting Common Shares Upon Transfer

6. If, at any time, a holder of Non-Voting Common Shares transfers all or a portion of the Non-Voting Common Shares held by such holder, the shares being transferred shall be automatically converted upon such transfer into fully paid Common Shares of the Corporation on the basis of one Common Share for each Non-Voting Common Share simultaneously upon the completion of such transfer, without any further action by the Corporation or any other person, so that the transferee will be a holder of Common Shares in equal number to the Non-Voting Common Shares transferred by the transferor. Following the transfer, the transferee shall surrender to the registered office of the Corporation the certificate or certificates representing the Non-Voting Common Shares transferred by the transferor, accompanied by written evidence of the transfer, as the directors of the Corporation may from time to time require. Upon such surrender, a new share certificate representing an equal number of Common Shares shall be issued to the transferee. If only a part of the Non-Voting Common Shares represented by a certificate were transferred, a new share certificate representing the number of Common Shares received by the transferee shall be issued by the Corporation. In addition, the Corporation shall issue to the transferor a new share certificate representing the portion of Non-Voting Common Shares evidenced by the original certificate which were not transferred by the transferor.

#### **C. PREFERRED SHARES**

The Preferred Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

##### Directors' Authority to Issue in One or More Series

1. The directors of the Corporation may issue the Preferred Shares at any time and from time to time in one or more series.

##### Terms of Each Series

2. Before the first shares of a particular series are issued, the board of directors of the Corporation shall, subject to the limitation on the number of Preferred Shares to be issued as set forth below, fix the number of shares in such series and shall determine, subject to any limitations set forth in these provisions as more fully set forth below, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, the rate and amount of any dividends to be declared, the method of calculation of such dividends and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such dividends shall accrue, the terms of redemption, including the redemption price and other terms and conditions of redemption, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights and the conversion or exchange rights (if any) and any sinking fund, purchase fund or other provisions attaching thereto.

##### First Shares of Each Series

3. Before the issue of the first shares of a series, the board of directors of the Corporation shall send to the Director (as defined in the *Canada Business Corporations Act*) articles of amendment containing a description of such series including the designations, rights, privileges, restrictions and conditions determined by the directors.

##### Ranking of Each Series of Preferred Shares

4. No rights, privileges, restrictions or conditions attaching to a series of Preferred Shares shall confer upon a series a priority over any other series of Preferred Shares in respect of redemption, the payment of dividends, the return of capital or the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary. The Preferred

Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in redemption, the payment of dividends, the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

#### Priority

5. Each series of Preferred Shares shall have priority over the Common Shares, the Non-Voting Common Shares and any other class of shares of the Corporation ranking junior to the Preferred Shares, and each series of Preferred Shares shall rank on parity with every other series of Preferred Shares, in each case with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

#### Other Preferences

6. The Preferred Shares of any series may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares, the Non-Voting Common Shares and over any other class of shares of the Corporation ranking junior to the Preferred Shares as may be determined by the board of directors of the Corporation.

#### Dividends

7. The holders of each series of Preferred Shares shall be entitled to receive cumulative dividends as and when declared by the board of directors of the Corporation at a rate per share per annum as determined by the board of directors of the Corporation, acting in good faith, provided, such rate per annum does not exceed by more than 2% the yield to maturity of an unsecured bond with a Comparable Credit Rating issued by a Comparable Issuer on the Determination Date or such other date as close as practicable to such date, such bond having the same or as close as possible term to maturity as is equal to the period until the series of Preferred Shares are first redeemable in whole or in part. Dividends shall be payable at such places, at such times and with such frequency as may be determined by the board of directors of the Corporation. For purposes hereof:

**"Comparable Issuer"** refers to an issuer selected by the board of directors of the Corporation as being comparable to the Corporation in terms of industry focus and whose outstanding unsecured long-term debt securities have a Comparable Credit Rating.

**"Comparable Credit Rating"** means a credit rating that is the same or that is the closest as possible to the credit rating of the outstanding long-term debt securities of the Corporation.

**"Determination Date"** means the date the rights, privileges, restrictions and conditions attaching to the shares of such series of Preferred Shares are determined.

#### Participation

8. If any cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding up of the Corporation in respect of a series of Preferred Shares are not paid in full, the Preferred Shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Preferred Shares of the amount so payable to such holders as herein provided, the holders of such series of Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Corporation in the event of the liquidation, dissolution or winding up of the Corporation.

#### Conversion Rights

9. No series of Preferred Shares shall be convertible into any other class of shares of the Corporation.

#### Redemption

10. Each series of Preferred Shares shall be redeemable by the Corporation on such terms as determined by the board of directors of the Corporation.

#### Voting Rights

11. Holders of any series of Preferred Shares shall not be entitled to receive notice of, to attend or to vote at any shareholders' meeting of the Corporation except: (a) as provided by law; or (b) upon an event of default by the Corporation where the board of directors of the Corporation has not declared the whole dividend on the particular series of Preferred Shares in any period and in that event, such holders shall be entitled to receive notice of, to attend and to vote at the shareholders' meetings (with one vote for each share held), which voting rights shall cease upon payment by the Corporation of the dividend to which holders are entitled.

#### Variation of Rights

12. The provisions of the Preferred Shares and any series thereof may be amended or repealed at any time with such approval as may be required by law.

#### Limitation on Number of Preferred Shares to be Issued

13. Whenever a share of any series of Preferred Shares is to be issued, the aggregate number of Preferred Shares of such series to be issued shall not exceed that number that is equal to: (A) (i) 25% of the Common Share Market Capitalization as of the Measurement Time, minus (ii) the Preferred Share Market Capitalization as of the Measurement Time, all divided by (B) the issuance price per share of the series of Preferred Shares to be issued.

"Common Share Market Capitalization" means the aggregate value of the Corporation's Common Shares and Non-Voting Common Shares issued and outstanding as of the Measurement Time calculated based on the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (or any successor exchange thereto on which the Common Shares may then be traded) for the five (5) trading days immediately preceding the Measurement Time.

"Preferred Share Market Capitalization" means the aggregate value of all Preferred Shares of all series issued and outstanding as of the Measurement Time calculated based on the issuance price per share of each such Preferred Share.

"Measurement Time" means 5:00 p.m. (Toronto time) on the date on which the board of directors of the Corporation determines the issuance price per share of the series of Preferred Shares to be issued.

Court File No. CV-25-00741727-00CL

**IN THE MATTER OF** AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED  
**AND IN THE MATTER OF** RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*  
**AND IN THE MATTER OF** A PROPOSED ARRANGEMENT OF MAPLE LEAF FOODS INC. INVOLVING 16923534 CANADA INC. AND CANADA PACKERS INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE –  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**FINAL ORDER**

**BLAKE, CASSELS & GRAYDON LLP**

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Maple Leaf Foods Inc.

**PLAN OF ARRANGEMENT UNDER SECTION 192 OF  
THE CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1  
INTERPRETATION**

**1.01 Definitions**

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the respective meanings set out below and grammatical variations of such terms will have the corresponding meanings:

**"Affiliate"** means, when describing a relationship between two Persons, that either: (a) one of them is under the direct or indirect control of the other; or (b) each of them is directly or indirectly controlled by the same Person;

**"Amalco"** means the corporation to be formed on the amalgamation of Newco and Subco in accordance with this Plan of Arrangement, which will be named Canada Packers Inc.;

**"Amalco Common Shares"** has the meaning ascribed thereto in Section 2.03(k)(iv) hereof;

**"Amalco Equity Security Exchange Ratio"** means the quotient of (a) the volume weighted average trading price of the MLF Common Shares on the TSX for the ten trading days preceding (but, for greater certainty, not including) the Effective Date (or such other trading period as determined by MLF and that is acceptable to the TSX), divided by (b) the volume weighted average trading price of the Amalco Common Shares on the TSX for the first ten trading days commencing on (and, for greater certainty, including) the Effective Date (or such other trading period as determined by MLF and that is acceptable to the TSX);

**"Amalco Option Plan"** means the Share Option Plan assumed by Amalco by virtue of the amalgamation in Section 2.03(k), as amended to the extent necessary to reflect the amalgamation;

**"Amalco Option Plan Resolution"** means the ordinary resolution of MLF Shareholders approving the Amalco Option Plan, as it may be amended or varied at or at any time prior to the Meeting, to be considered at the Meeting;

**"Amalco Share Conversion Ratio"** means 0.2, provided that if the Board has determined that that the Amalco Share Conversion Ratio shall mean a different number, and MLF has publicly issued a press release not less than three Business Days prior to the Effective Date disclosing that the Amalco Share Conversion Ratio shall mean such different number, then the Amalco Share Conversion Ratio shall mean such different number;

**"Amalco Stock Options"** means a right granted by Amalco to Transferred Employees to acquire Amalco Common Shares issued pursuant to Section 2.03(m) hereof, with the exercise price of each such Amalco Stock Option determined in accordance with this Plan of Arrangement and the other terms and conditions thereof determined in accordance with the Amalco Option Plan and any agreements thereunder, and including any adjustments to such Amalco Stock Option necessary to give effect to the intent of this Plan of Arrangement, as such plan or agreements may be amended by the board of directors of Amalco or a committee thereof;

**"arm's length"** has the meaning assigned by Section 251(1) of the Tax Act;

**"Arrangement"** means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the Arrangement Agreement, this Plan of Arrangement, and the Interim Order (once issued), or made at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to MLF;

**“Arrangement Agreement”** means the arrangement agreement dated April 29<sup>th</sup>, 2025 among MLF, Newco and Subco;

**“Arrangement Resolution”** means the special resolution of MLF Shareholders approving the Arrangement to be considered at the Meeting;

**“Articles of Arrangement”** means the articles of arrangement of MLF in respect of the Arrangement, required by Section 192(6) of the CBCA to be sent to the Director after the Final Order is made;

**“Board”** or **“Board of Directors”** means the board of directors of MLF;

**“Business Day”** means any day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario;

**“CBCA”** means the *Canada Business Corporations Act*, as amended;

**“Certificate of Arrangement”** means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA in respect of the Articles of Arrangement;

**“control”** means, when applied to a relationship between two Persons, that a Person (the **“first Person”**) is considered to control another Person (the **“second Person”**) if: (a) the first Person, directly or indirectly, beneficially owns or exercises control or direction over securities, interests or contractual rights of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, or a majority of any other Persons who have the right to manage or supervise the management of the business and affairs of the second Person, unless that first Person holds the voting securities only to secure a debt or similar obligation; (b) the second Person is a partnership, other than a limited partnership, and the first Person, together with any Person controlled by the first Person, holds more than 50 per cent of the interests (measured by votes or by value) of the partnership; or (c) the second Person is a limited partnership and the general partner of the limited partnership is the first Person or any Person controlled by the first Person, and the term **“controlled”** has a corresponding meaning;

**“Court”** means the Ontario Superior Court of Justice (Commercial List);

**“Director”** means the Director appointed pursuant to Section 260 of the CBCA;

**“Distribution Record Date”** means the record date established by MLF for the Arrangement;

**“DSU”** means a deferred share unit granted by MLF to a non-employee director under the MLF DSU Plan, that is outstanding immediately prior to the Effective Time;

**“Effective Date”** means the effective date of the Arrangement, being the date shown on the Certificate of Arrangement;

**“Effective Time”** means 9:15 a.m. (ET) on the Effective Date, or such other time as MLF, Subco and Newco agree to in writing before the Effective Date;

**“Electing Shareholder”** means any MLF Shareholder that is Michael H. McCain, Jonathan W. F. McCain, or any Person controlled by them, which requests that Newco executes a joint election under subsection 85(1) of the Tax Act with such MLF Shareholder in respect of the transfer in Section 2.03(f);

**“Encumbrance”** means any mortgage, charge, pledge, lien, hypothec, security interest, encumbrance, adverse claim or right of any third party which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property;

**“fair market value”** means the highest price available in an open and unrestricted market between informed and prudent parties acting at arm’s length and under no compulsion to act, expressed in terms of money;



**“Final Order”** means the final order of the Court pursuant to Section 192 of the CBCA, in a form acceptable to MLF, approving the Arrangement, as such order may be amended or varied by the Court, provided that any such amendment or variation is acceptable to MLF, at any time prior to the Effective Date;

**“Former MLF Employee”** means a Person who was previously a director, officer, manager or employee of MLF or an Affiliate thereof but is not, as of the Effective Time, a director, officer, manager or employee of MLF or an Affiliate thereof (other than a Transferred Employee);

**“Governmental Authority”** means (a) any multinational, federal, national, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry or agency, domestic or foreign; (b) any subdivision, agent, commission, board, or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, self-regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange;

**“Interim Order”** means the interim order of the Court pursuant to Section 192 of the CBCA, in a form acceptable to MLF, providing for, among other things, the calling and holding of the Meeting, as such order may be amended or varied by the Court, provided that any such amendment or variation is acceptable to MLF;

**“In the Money Amount”** means, in relation to a particular stock option, the amount by which the fair market value of the shares issuable under the particular option exceeds the aggregate exercise price payable by the holder of the option to acquire such shares;

**“Meeting”** means the annual and special meeting of MLF Shareholders (including any adjournment or postponement thereof) to be called and held in accordance with the Interim Order to, among other things, consider and, if deemed advisable, approve the Arrangement Resolution and the Amalco Option Plan Resolution;

**“MLF”** means Maple Leaf Foods Inc., a corporation existing under the CBCA;

**“MLF Arrangement Common Shares”** means the new class of common shares in the capital of MLF created pursuant to this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement;

**“MLF Common Shares”** means the common shares in the capital of MLF (being, for greater certainty, the class of shares designated as “Common Shares” in the articles of MLF on the Effective Date);

**“MLF DSU Plan”** means the Share Purchase and Deferred Share Unit Plan of MLF;

**“MLF Employees”** means all directors, officers, managers and employees of MLF and its Affiliates, including directors, officers, managers and employees on disability leave, parental leave or other leave of absence, immediately prior to the Effective Time;

**“MLF Equity Security Exchange Ratio”** means the quotient of (a) the volume weighted average trading price of the MLF Common Shares on the TSX for the ten trading days preceding (but, for greater certainty, not including) the Effective Date (or such other trading period as determined by MLF and that is acceptable to the TSX), divided by (b) the volume weighted average trading price of the MLF Common Shares on the TSX for the first ten trading days commencing on (and, for greater certainty, including) the Effective Date (or such other trading period as determined by MLF and that is acceptable to the TSX);

**“MLF LTIP”** means the Long Term Incentive Plan of MLF;

**“MLF Option Plan”** means the Amended and Restated Option Plan of MLF;

**“MLF Redemption Amount”** has the meaning ascribed thereto in Section 2.03(h) hereof;

**“MLF Redemption Note”** has the meaning ascribed thereto in Section 2.03(h) hereof;

**“MLF Shareholder”** as of any time means a holder of MLF Common Shares at such time;

**“MLF Special Shares”** means the non-voting, redeemable, retractable preferred shares in the capital of MLF created pursuant to this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement;

**“MLF Stock Option”** means a right granted by MLF to eligible employees to acquire MLF Common Shares on terms and conditions set out in the MLF Option Plan, that is outstanding immediately prior to the Effective Time;

**“New MLF Stock Options”** means a right granted by MLF to eligible employees to acquire MLF Common Shares issued pursuant to Section 2.03(d) hereof, with the exercise price of each such New MLF Stock Option determined in accordance with this Plan of Arrangement and the other terms and conditions thereof determined in accordance with the MLF Option Plan and any agreements thereunder, and including any adjustments to such New MLF Stock Option necessary to give effect to the intent of this Plan of Arrangement, as such plan or agreements may be amended by the Board or a committee thereof;

**“Newco”** means 16923534 Canada Inc., a corporation existing under the CBCA;

**“Newco Common Shares”** means the common shares in the capital of Newco having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement;

**“Newco Option Plan”** means the Share Option Plan of Newco, to be adopted as of the Effective Time;

**“Newco Preferred Shares”** means the non-voting, redeemable, retractable preferred shares in the capital of Newco created pursuant to this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement;

**“Newco Redemption Amount”** has the meaning ascribed thereto in Section 2.03(i) hereof;

**“Newco Redemption Note”** has the meaning ascribed thereto in Section 2.03(i) hereof;

**“Newco Stock Options”** means a right granted by Newco to Transferred Employees to acquire Newco Common Shares issued pursuant to Section 2.03(g.1) hereof; with the exercise price of each such Newco Stock Option determined in accordance with this Plan of Arrangement and the other terms and conditions thereof determined in accordance with the Newco Option Plan and any agreements thereunder, and including any adjustments to such Newco Stock Option necessary to give effect to the intent of this Plan of Arrangement, as such plan or agreements may be amended by the board of directors of Newco or a committee thereof;

**“Non-Transferred Employees”** means MLF Employees who are not Transferred Employees;

**“Non-Union Employee”** means an employee of MLF who is not a member of the Union;

**“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;

**“Plan of Arrangement”** means this plan of arrangement, including the exhibits hereto, as amended or varied from time to time in accordance with the Arrangement Agreement, the terms hereof, and the Interim Order (once issued), or at the direction of the Court in the Final Order, provided that such amendments or variations are acceptable to MLF;

**“predecessor corporations”** has the meaning ascribed thereto in Section 2.03(k);

**“PSU”** means a performance share unit granted by MLF to a participant, which represents a right to receive MLF Common Shares or cash on the terms and conditions set out in the MLF LTIP, which vests over time

and upon achievement of performance goals, and that is outstanding immediately prior to the Effective Time;

**“RSU”** means a restricted share unit granted by MLF to a participant, which represents a right to receive MLF Common Shares or cash on the terms and conditions set out in the MLF LTIP, that is outstanding immediately prior to the Effective Time;

**“Subco”** means Canada Packers Inc., a corporation existing under the CBCA;

**“Subco Common Shares”** means the common shares in the capital of Subco;

**“Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supplement);

**“trading day”** means a day, other than a Saturday or a Sunday, when the TSX is open for trading;

**“trading price”** means, in relation to the MLF Common Shares or the Amalco Common Shares, the trading price per share of the MLF Common Shares or the Amalco Common Shares, as the case may be, on the TSX for the applicable period. For greater certainty: (a) in the case of the Amalco Common Shares, such trading price may be determined by reference to trading on an “if, as and when issued” basis; and (b) in the case of the MLF Common Shares, such trading price may be determined by reference to trading on a “due bill” basis;

**“Transfer Agent”** means the transfer agent for the MLF Common Shares or the Amalco Common Shares, as applicable;

**“Transferred Employee”** means each Union Employee who continues employment with Amalco (or a predecessor thereto) as of the Effective Time, and each Non-Union Employee who accepts an offer of employment from Newco or Subco (or any successor thereto) and who commences employment with Amalco (or a predecessor thereto) on or after the Effective Time;

**“Transferred Percentage”** means 84%;

**“Transferred Property”** means the Transferred Percentage of the issued and outstanding Subco Common Shares held by MLF immediately prior to the Effective Time;

**“TSX”** means the Toronto Stock Exchange;

**“Union”** means United Food & Commercial Workers Union, Local No. 832 and Local No. 401; and

**“Union Employee”** means an employee of MLF who is a member of the Union.

## **1.02 Construction**

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Plan of Arrangement into Articles, Sections and Subsections and the use of headings are for convenience of reference only and do not affect the construction or interpretation hereof;
- (b) the words “hereunder”, “hereof” and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or Subsection and references to “Articles”, “Sections” and “Subsections” are to Articles, Sections and Subsections of this Plan of Arrangement;
- (c) words importing the singular include the plural and vice versa, and words importing any gender include all genders;
- (d) the word “including” means “including without limiting the generality of the foregoing”;

- (e) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation;
- (f) a reference to any agreement or contract is to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms thereof;
- (g) if any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action will be required to be taken on the next succeeding Business Day; and
- (h) a reference to a Person includes such Person's heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns.

### **1.03 Time**

Time will be of the essence in every matter or action contemplated hereunder.

### **1.04 Exhibits**

The following Exhibits are attached to this Plan of Arrangement and form part hereof:

- Exhibit I – Initial Amendment to the Articles of Maple Leaf Foods Inc.
- Exhibit II – Initial Amendment to the Articles of 16923534 Canada Inc.
- Exhibit III – Articles of Canada Packers Inc.
- Exhibit IV – By-Law Number 1 of Canada Packers Inc.
- Exhibit V – Subsequent Amendment to the Articles of Maple Leaf Foods Inc.

## **ARTICLE 2 THE ARRANGEMENT**

### **2.01 Arrangement Agreement**

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of, the Arrangement Agreement.

### **2.02 Binding Effect**

Upon the issuance of the Certificate of Arrangement, this Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on: (a) MLF; (b) Newco; (c) Subco; (d) MLF Shareholders; (e) holders of MLF Stock Options; (f) holders of DSUs; (g) holders of PSUs; and (h) holders of RSUs.

### **2.03 Effective Time**

Commencing at the Effective Time, the following events, matters and transactions will occur and will be deemed to occur in the following sequence, without any further act, authorization or formality, and with each event, matter or transaction occurring and being deemed to occur immediately after the occurrence of the immediately preceding event, matter or transaction:

- (a) the articles of MLF will be amended to create and authorize the issuance of (in addition to the shares it is authorized to issue immediately before such amendment):
  - (i) an unlimited number of MLF Arrangement Common Shares; and
  - (ii) an unlimited number of MLF Special Shares,

each new class having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement;

- (b) the articles of Newco will be amended to create and authorize the issuance of (in addition to the shares it is authorized to issue immediately before such amendment) an unlimited number of Newco Preferred Shares, having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement;
- (c) pursuant to a reorganization of the capital of MLF, each MLF Common Share outstanding immediately prior to the Effective Time will be exchanged into one MLF Arrangement Common Share and one MLF Special Share and in respect of such transactions:
  - (i) the aggregate addition to the stated capital accounts of the MLF Arrangement Common Shares and the MLF Special Shares issued by MLF pursuant to this Section 2.03(c) will equal the "paid-up capital" (for purposes of the Tax Act) of the MLF Common Shares immediately before the event described in this Section 2.03(c). Such addition to the stated capital accounts will be allocated between the MLF Arrangement Common Shares and MLF Special Shares based on the proportion that the fair market value of the MLF Arrangement Common Shares and the MLF Special Shares, as the case may be, is of the aggregate fair market value of all of the MLF Arrangement Common Shares and MLF Special Shares issued pursuant to this Section 2.03(c);
  - (ii) the only consideration such MLF Shareholders will receive for the disposition of their MLF Common Shares will be the applicable MLF Arrangement Common Shares and MLF Special Shares;
  - (iii) the MLF Common Shares so exchanged will be cancelled;
- (d) concurrently with the exchange of the MLF Common Shares described in Section 2.03(c), each Non-Transferred Employee and Former MLF Employee who holds MLF Stock Options shall exchange each such MLF Stock Option for a New MLF Stock Option granting such employee the right to acquire a number of MLF Common Shares equal to the MLF Equity Security Exchange Ratio multiplied by the number of MLF Common Shares issuable under the exchanged MLF Stock Option (rounded down to the nearest whole number), and in respect of such transactions:
  - (i) the only consideration such Non-Transferred Employee or Former MLF Employee, as the case may be, will receive for the exchange of their MLF Stock Options will be the applicable New MLF Stock Options, with such exchange being subject to Section 2.04;
  - (ii) the MLF Stock Options so exchanged will be cancelled; and
  - (iii) the New MLF Stock Options will not be exercisable until after the completion of this Plan of Arrangement;
- (e) [Reserved]
- (f) each holder of MLF Special Shares will transfer to Newco, with good and marketable title thereto and free and clear of all Encumbrances, all of the MLF Special Shares held thereby in consideration for the issuance by Newco to such Person of one Newco Common Share for every MLF Special Share transferred by such holder, and in respect of such transactions:
  - (i) the only consideration such Person will receive for the disposition of their MLF Special Shares will be the applicable Newco Common Shares;
  - (ii) there shall be added to the stated capital account maintained by Newco for the Newco Common Shares an amount equal to the sum of (i) the amounts agreed to by an Electing Shareholder and Newco in the elections described in Paragraph 2.03(f)(iv), and (ii) the aggregate "paid-up capital" (for purposes of the Tax Act) of the MLF Special Shares so transferred to Newco by any MLF Shareholder that is not an Electing Shareholder, as of immediately before the event described in this Section 2.03(f);

- (iii) the Newco Common Shares will, outside of and not as part of this Plan of Arrangement, be listed for trading on the TSX and, for greater certainty, such listing on the TSX will occur before the issuance of Newco Common Shares pursuant to this Section 2.03(f);
  - (iv) Newco will jointly elect with each MLF Shareholder that is an Electing Shareholder, in prescribed form and within the time allowed by subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of MLF Special Shares by such Electing Shareholder, and if applicable, Newco and each Electing Shareholder will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount in each election under subsection 85(1) of the Tax Act will be an amount equal to the lesser of the fair market value of the MLF Special Shares transferred by an Electing Shareholder and the adjusted cost base of the MLF Special Shares to such Electing Shareholder at the time of the transfer pursuant to this Section 2.03(f); and
  - (v) no election(s) under section 85 of the Tax Act will be filed in respect of the transfer described in this Section 2.03(f) by any MLF Shareholder that is not an Electing Shareholder;
- (g) MLF will transfer the Transferred Property, with good and marketable title thereto and free and clear of all Encumbrances, to Newco in consideration for the issuance by Newco to MLF of 1,000 Newco Preferred Shares and the assumption by Newco of any liabilities related to the Transferred Property (including obligations in respect of MLF Stock Options, RSUs and PSUs held by Transferred Employees immediately prior to the Effective Time) and in respect of such transactions:
- (i) MLF will jointly elect with Newco, in the prescribed form and within the time allowed by Section 85(6) of the Tax Act, to have the provisions of Section 85(1) of the Tax Act apply to the transfer of the Transferred Property, and if applicable, MLF and Newco will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount in each election under subsection 85(1) of the Tax Act will be an amount equal to the lesser of the fair market value of the Transferred Property and the aggregate adjusted cost base of the Transferred Property to MLF at the time of the transfer thereof pursuant to this Section 2.03(g);
  - (ii) the amount added to the stated capital in respect of the Newco Preferred Shares issued as consideration for the transfer of the Transferred Property will equal the maximum amount permitted to be added to the "paid-up capital" (for purposes of the Tax Act) of the Newco Preferred Shares having regard to Subsection 85(2.1) of the Tax Act; and
  - (iii) the net fair market value of the Transferred Property received by Newco will be equal to or approximate that proportion of the net fair market value of all property owned by MLF immediately before the transfer of the Transferred Property pursuant to this Section 2.03(g) that:
    - (A) the aggregate fair market value of the MLF Special Shares owned by Newco immediately before such transfer, is of
    - (B) the aggregate fair market value of all the issued and outstanding shares of MLF immediately before such transfer;

- (g.1) concurrently with the transfer of the Transferred Property by MLF to Newco described in Section 2.03(g), each Transferred Employee who holds MLF Stock Options shall exchange each such MLF Stock Option for a Newco Stock Option granting such Transferred Employee the right to acquire a number of Newco Common Shares equal to the result determined by the formula

$$(A \times B) / C$$

where:

- A is the number of MLF Common Shares issuable under the exchanged MLF Stock Option;
- B is the Amalco Equity Security Exchange Ratio; and
- C is the Amalco Share Conversion Ratio;

and in respect of such transactions:

- (i) the only consideration such Transferred Employee will receive for the exchange of their MLF Stock Options will be the applicable Newco Stock Options, with such exchange being subject to Section 2.04;
  - (ii) the MLF Stock Options so exchanged will be cancelled; and
  - (iii) the Newco Stock Options will not be exercisable until after the completion of this Plan of Arrangement;
- (h) MLF (i) will redeem for cancellation all of the MLF Special Shares held by Newco for an amount equal to the redemption amount (as determined pursuant to the articles of MLF) of such MLF Special Shares (the “**MLF Redemption Amount**”) and will issue to Newco a non-interest bearing demand promissory note in a principal amount equal to the MLF Redemption Amount (the “**MLF Redemption Note**”) in full and absolute payment, satisfaction and discharge of the MLF Redemption Amount; and (ii) shall, to the extent permitted under the Tax Act, hereby designate and be deemed to have designated and provided notice, pursuant to Section 89(14) of the Tax Act, the full amount of the dividend, if any, that will be deemed under Section 84(3) of the Tax Act to be paid by it to Newco upon the redemption of the MLF Special Shares in this Section 2.03(h), to be an eligible dividend;
- (i) Newco (i) will redeem for cancellation all of the Newco Preferred Shares held by MLF for an amount equal to the redemption amount (as determined pursuant to the articles of Newco) of such Newco Preferred Shares (the “**Newco Redemption Amount**”) and will issue to MLF a non-interest bearing demand promissory note in a principal amount equal to the Newco Redemption Amount (the “**Newco Redemption Note**”) in full and absolute payment, satisfaction and discharge of the Newco Redemption Amount; and (ii) shall, to the extent permitted under the Tax Act, hereby designate and be deemed to have designated and provided notice, pursuant to Section 89(14) of the Tax Act the full amount of the dividend, if any, that will be deemed under Section 84(3) of the Tax Act to be paid by it to MLF upon the redemption of the Newco Preferred Shares in this Section 2.03(i) to be an eligible dividend;
- (j) MLF and Newco will fully set off the MLF Redemption Note against the Newco Redemption Note, and both the MLF Redemption Note and the Newco Redemption Note will thereupon be cancelled;
- (k) Newco and Subco (referred to in this Section as “**predecessor corporations**”) will amalgamate pursuant to the provisions of Section 181 of the CBCA to form an amalgamated entity named “Canada Packers Inc.” in such a manner that, on and by virtue of the amalgamation:
- (i) Newco and Subco will cease to exist as entities separate from Amalco;



- (ii) Amalco will possess all the property, rights, privileges and franchises (excluding any amounts receivable from any predecessor corporation or shares of a predecessor corporation) and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the predecessor corporations (other than any amounts payable to any predecessor corporation);
- (iii) the Articles of Arrangement will be the articles of amalgamation of Amalco and the Certificate of Arrangement will be the certificate of amalgamation of Amalco;
- (iv) Amalco's authorized share capital will consist of common shares (the "**Amalco Common Shares**") and preferred shares, in each case having rights, privileges, restrictions and conditions set out in Exhibit III to this Plan of Arrangement;
- (v) each issued and outstanding Newco Common Share immediately prior to the amalgamation will be converted into such number of Amalco Common Shares as is equal to the Amalco Share Conversion Ratio;
- (vi) each issued and outstanding Subco Common Share (other than a Subco Common Share held by a predecessor corporation) will be converted into such number of Amalco Common Shares as is equal to the quotient determined by the formula

$$A / B$$

where:

- A is the product obtained by multiplying (i) the aggregate number of Newco Common Shares that were issued and outstanding immediately prior to the amalgamation by (ii) the Amalco Share Conversion Ratio, and
- B is the product obtained by multiplying (i) the aggregate number of Subco Common Shares that were issued and outstanding immediately prior to the amalgamation by (ii) the Transferred Percentage;
- (vii) each Subco Common Share held by a predecessor corporation will be cancelled for no consideration;
- (viii) the stated capital of the Amalco Common Shares will be an amount equal to the stated capital of the Newco Common Shares and the stated capital of the Subco Common Shares (excluding the Subco Common Shares held by a predecessor corporation) immediately prior to the amalgamation;
- (ix) no securities will be issued except as described in paragraphs (k)(v) and (k)(vi) and no assets will be distributed by Amalco in connection with the amalgamation;
- (x) the name of Amalco will be "Canada Packers Inc.";
- (xi) the registered office of Amalco will be 6985 Financial Drive, Suite 201, Mississauga, Ontario L5N 0A1, Canada;
- (xii) with respect to the directors of Amalco: (A) the directors will consist of a minimum number of 8 and a maximum number of 18 directors, (B) until changed by the shareholders of Amalco, or by the directors of Amalco if authorized to do so, the number of directors of Amalco will be 9, and (C) the initial directors of Amalco will be: Michael H. McCain, Dennis Organ, Curtis E. Frank, Gary Maksymetz, Jonathan W.F. McCain, Sarah Piper, Meghan Roach, Heather Stefanson and Michael Vels;
- (xiii) there will be no restrictions on the business Amalco may carry on or the powers it may exercise;

- (xiv) the by-laws of Amalco will be the by-laws attached as Exhibit IV to this Plan of Arrangement, and such by-laws will be deemed to have been confirmed by the shareholders of Amalco; and
- (xv) KPMG LLP will be the initial auditor of Amalco, to hold office until the close of the first annual meeting of Amalco shareholders following the Effective Date, or until KPMG LLP resigns as contemplated by Section 164 of the CBCA or is removed from office as contemplated by Section 165 of the CBCA, and the directors of Amalco will be authorized to fix their remuneration;
- (l) concurrently with the amalgamation as described in Section 2.03(k), the Amalco Common Shares will, outside of and not as part of this Plan of Arrangement, be listed for trading on the TSX (subject to standard post-closing listing conditions imposed by the TSX in similar circumstances);
- (m) by virtue of the amalgamation as described in Section 2.03(k), the Newco Option Plan shall be assumed by Amalco and become the Amalco Option Plan, and each Transferred Employee who holds Newco Stock Options shall exchange each such Newco Stock Option for an Amalco Stock Option granting such employee the right to acquire a number of Amalco Common Shares equal to the Amalco Share Conversion Ratio multiplied by the number of Newco Common Shares issuable under the exchanged Newco Stock Options (rounded down to the nearest whole number), and in respect of such transactions:
  - (i) the only consideration such Transferred Employee will receive for the exchange of their Newco Stock Options will be the applicable Amalco Stock Options, with such exchange being subject to Section 2.04;
  - (ii) the Newco Stock Options so exchanged will be cancelled; and
  - (iii) the Amalco Stock Options will not be exercisable until after the completion of this Plan of Arrangement;
- (n) each holder of MLF Arrangement Common Shares will exchange each MLF Arrangement Common Share held thereby for one MLF Common Share, and in respect of such transactions:
  - (i) the aggregate addition to the stated capital accounts of the MLF Common Shares issued by MLF pursuant to this Section 2.03(n) will equal the "paid-up capital" (for purposes of the Tax Act) of the MLF Arrangement Common Shares immediately before the event described in this Section 2.03(n);
  - (ii) the only consideration such MLF Shareholders will receive for the disposition of their MLF Arrangement Common Shares will be the applicable MLF Common Shares;
  - (iii) the MLF Arrangement Common Shares so exchanged will be cancelled;
  - (iv) no election(s) under section 85 of the Tax Act will be filed in respect of the transfer described in this Section 2.03(n); and
  - (v) the MLF Common Shares will, outside of and not as part of this Plan of Arrangement, continue without interruption to be listed for trading on the TSX; and
- (o) the articles of MLF will be amended to remove the MLF Special Shares and MLF Arrangement Common Shares from the authorized capital of MLF (and to remove all references to the MLF Special Shares and MLF Arrangement Common Shares), such that, following such amendment, MLF's authorized capital will be as set out in Exhibit V to this Plan of Arrangement.

## 2.04 Effect on Options

- (a) For purposes of the exchange of MLF Stock Options for New MLF Stock Options pursuant to Section 2.03(d), the exercise price of each such New MLF Stock Option will be equal to the original exercise price of the MLF Stock Option exchanged therefor divided by the MLF Equity Security Exchange Ratio (rounded up to the nearest whole cent).
- (b) For purposes of the exchange of MLF Stock Options for Newco Stock Options pursuant to Section 2.03(g.1), the exercise price of each such Newco Stock Option will be equal to the result determined by the formula

$$(A / B) \times C$$

where:

- A is the original exercise price of the MLF Stock Option exchanged therefor;
  - B is the Amalco Equity Security Exchange Ratio; and
  - C is the Amalco Share Conversion Ratio;
- (c) For purposes of the exchange of Newco Stock Options for Amalco Stock Options pursuant to Section 2.03(m), the exercise price of each such Amalco Stock Option will be equal to the exercise price of the Newco Stock Option exchanged therefor divided by the Amalco Share Conversion Ratio (rounded up to the nearest whole cent).
  - (d) Except as provided for in this Section 2.04, the terms and conditions of each New MLF Stock Option granted in exchange for a MLF Stock Option shall be substantially similar to the terms and conditions of such MLF Stock Option, including in respect of such option's term and termination conditions.
  - (e) Except as provided for in this Section 2.04, the terms and conditions of each Newco Stock Option granted in exchange for a MLF Stock Option shall be substantially similar to the terms and conditions of such MLF Stock Option, including in respect of such option's term and termination conditions.
  - (f) Except as provided for in this Section 2.04, the terms and conditions of each Amalco Stock Option granted in exchange for a Newco Stock Option shall be substantially similar to the terms and conditions of the MLF Stock Option exchanged pursuant to Section 2.03(g.1) for such Newco Stock Option, including in respect of such option's term and termination conditions.
  - (g) It is intended that the provisions of Subsection 7(1.4) of the Tax Act (and any corresponding provision of provincial tax legislation) apply to any exchange of options described in Section 2.04(a), (b) or (c). If, and to the extent (if any) determined by MLF (in respect of an exchange in Section 2.04(a)) or Amalco (in respect of an exchange in Sections 2.04(b) or (c)) to be necessary for such provision to apply, the exercise price of the New MLF Stock Options, Newco Stock Options, or Amalco Stock Options issued on such exchange, as the case may be (the "**New Options**"), will be increased (and will be deemed always to have been increased) such that the In the Money Amount of the New Options immediately after such exchange does not exceed the In the Money Amount immediately before such exchange of the MLF Stock Options or Newco Stock Options, as the case may be, that was cancelled on such exchange.

## 2.05 Effect on RSUs, PSUs and DSUs

- (a) Pursuant to and in accordance with the MLF LTIP, with respect to each Non-Transferred Employee and Former MLF Employee, such Person's holding of RSUs will be adjusted such that, following completion of the Arrangement, the aggregate number of RSUs held by such Person shall be equal

- to (i) the number of MLF Common Shares underlying such RSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the MLF Equity Security Exchange Ratio.
- (b) Pursuant to and in accordance with the MLF LTIP, with respect to each Non-Transferred Employee and Former MLF Employee, such Person's holding of PSUs will be adjusted such that, following completion of the Arrangement, the aggregate number of PSUs held by such Person shall be equal to (i) the number of MLF Common Shares underlying such PSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the MLF Equity Security Exchange Ratio.
  - (c) Pursuant to and in accordance with the MLF DSU Plan, each holder of DSUs shall have their holding of DSUs adjusted such that, following completion of the Arrangement, the aggregate number of DSUs held by such Person shall be equal to (i) the number of DSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the MLF Equity Security Exchange Ratio.
  - (d) Pursuant to and in accordance with the MLF LTIP, with respect to each Transferred Employee, such Person's holding of RSUs will be amended such that, following completion of the Arrangement:
    - (i) the "Share" (as defined in the MLF LTIP) applicable to each RSU held shall refer to an Amalco Common Share in place of an MLF Common Share;
    - (ii) the aggregate number of RSUs held by such Person shall be equal to (i) the number of MLF Common Shares underlying such RSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the Amalco Equity Security Exchange Ratio; and
    - (iii) MLF's obligation in respect of such Person's RSUs shall become an obligation of Amalco.
  - (e) Pursuant to and in accordance with the MLF LTIP, with respect to each Transferred Employee, such Person's holding of PSUs will be amended such that, following completion of the Arrangement:
    - (i) the "Share" (as defined in the MLF LTIP) applicable to each PSU held shall refer to an Amalco Common Share in place of an MLF Common Share;
    - (ii) the aggregate number of PSUs held by such Person shall be equal to (i) the number of MLF Common Shares underlying such PSUs held by such Person as of immediately prior to the Effective Time, multiplied by (ii) the Amalco Equity Security Exchange Ratio; and
    - (iii) MLF's obligation in respect of such Person's PSUs shall become an obligation of Amalco.

## **2.06 Registers of Holders**

- (a) Upon the exchange of the MLF Common Shares pursuant to Section 2.03(c), the name of each registered MLF Shareholder will be deemed to be removed from the register of holders of MLF Common Shares and will be deemed to be added to the registers of holders of MLF Arrangement Common Shares and MLF Special Shares.
- (b) Upon the transfer of the MLF Special Shares pursuant to Section 2.03(f): (i) the name of each registered MLF Shareholder will be deemed to be removed from the register of holders of MLF Special Shares and will be deemed to be added to the register of holders of Newco Common Shares; and (ii) Newco will be deemed to be recorded as the registered holder of the MLF Special Shares on the register of holders of MLF Special Shares and will be deemed to be the legal and beneficial owner thereof.
- (c) Upon the transfer of the Transferred Property pursuant to Section 2.03(g): (i) MLF will be deemed to be added to the register of holders of Newco Preferred Shares; and (ii) Newco will be deemed to be recorded as a registered holder of Subco Common Shares on the register of holders of Subco Common Shares and will be deemed to be the legal and beneficial owner of such Subco Common Shares.

- (d) Upon the redemption of the MLF Special Shares pursuant to Section 2.03(h), Newco will be deemed to be removed from the register of holders of MLF Special Shares.
- (e) Upon the redemption of the Newco Preferred Shares pursuant to Section 2.03(i), MLF will be deemed to be removed from the register of holders of Newco Preferred Shares.
- (f) Upon the amalgamation of Newco and Subco pursuant to Section 2.03(k): (i) appropriate entries will be made in the register holders of Newco Common Shares to reflect the cancellation of such shares, (ii) appropriate entries will be made in the register holders of Subco Common Shares to reflect the cancellation of such shares and (iii) MLF and the holders of Newco Common Shares will be deemed to be recorded as registered holders of Amalco Common Shares and will be deemed to be the legal and beneficial owners thereof.
- (g) Upon the exchange of the MLF Arrangement Common Shares pursuant to Section 2.03(n), the name of each registered MLF Shareholder will be deemed to be removed from the register of holders of MLF Arrangement Common Shares and will be deemed to be added to the register of holders of MLF Common Shares.

## **2.07 Deemed Fully Paid and Non-Assessable Shares**

All MLF Common Shares, MLF Arrangement Common Shares, MLF Special Shares, Newco Common Shares, Newco Preferred Shares and Amalco Common Shares issued pursuant hereto will be deemed to be or have been validly issued and outstanding as fully paid and non-assessable shares for all purposes of the CBCA.

## **ARTICLE 3 CERTIFICATES AND PAYMENTS**

### **3.01 Entitlement to Share Certificates**

- (a) As soon as practicable after the Effective Date, Amalco will issue and deliver, or cause its Transfer Agent to issue and deliver, to each MLF Shareholder of record as of the Distribution Record Date, certificates representing the Amalco Common Shares to which such holder is entitled pursuant to the Arrangement.
- (b) Following the Distribution Record Date, certificates representing MLF Common Shares will be deemed for all purposes to be certificates representing only the MLF Common Shares issued to MLF Shareholders pursuant to Section 2.03(n) hereof and, accordingly, no new certificates will be issued representing such MLF Common Shares.
- (c) No certificates will be issued for shares that are issued and subsequently cancelled in accordance with the provisions of this Plan of Arrangement.
- (d) For the purposes of this Plan of Arrangement, any reference to a "certificate" shall include evidence of registered ownership of the applicable shares in an electronic book-based system maintained by the applicable Transfer Agent and the provisions of this Plan of Arrangement shall be read and construed (and where applicable, modified) to give effect to such interpretation.

### **3.02 Fractional Shares**

No certificates representing fractional Amalco Common Shares arising from the Arrangement shall be issued to MLF Shareholders pursuant to the Arrangement and no dividend, stock split or other change in the capital structure of Amalco shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of Amalco. The number of Amalco Common Shares to be issued to a MLF Shareholder pursuant to this Plan of Arrangement will be rounded down to the nearest whole number, with no cash being paid for any fractional share eliminated by such rounding.

### **3.03 Lost Certificates**

If any certificate which, immediately prior to the Effective Time, represented an interest in outstanding MLF Common Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Transfer Agent will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to each of MLF, Amalco and the Transfer Agent, which bond shall be in form and substance satisfactory to each of MLF, Amalco and the Transfer Agent, or shall otherwise indemnify MLF, Amalco and the Transfer Agent against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

### **3.04 Withholding Rights**

MLF and Amalco will be entitled to deduct and withhold from amounts payable under this Plan of Arrangement to any Person, such amounts as MLF and Amalco, respectively, are required or permitted to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts will be treated for all purposes hereof as having been paid to the Person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

### **3.05 Restatement of Articles**

Outside of and not as part of this Plan of Arrangement, the articles of MLF will be restated to reflect the amendments in this Plan of Arrangement and the restated articles of MLF will be filed with the Director pursuant to Section 180 of the CBCA. Outside of and not as part of this Plan of Arrangement, the articles of Amalco will be restated to reflect this Plan of Arrangement and the restated articles of Amalco will be filed with the Director pursuant to Section 180 of the CBCA.

## **ARTICLE 4 AMENDMENTS**

### **4.01 Amendments to Plan of Arrangement**

- (a) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by MLF at any time prior to or at the Meeting with or without any other prior notice or communication and, if so proposed and accepted by the requisite majority of MLF Shareholders at the Meeting, will become part of this Plan of Arrangement for all purposes.
- (b) Following the Meeting, this Plan of Arrangement may be amended, modified or supplemented unilaterally by MLF, provided that each such amendment, modification or supplement is approved by the Court and communicated to any Persons in the manner required by the Court.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Meeting will be effective only if it is consented to by MLF and, if required by the Court, is consented to by or communicated to the MLF Shareholders in the manner directed by the Court.
- (d) Notwithstanding Section 4.01(b), any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by MLF, provided that it concerns a matter which, in the reasonable opinion of MLF, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial interests of any holder of MLF Common Shares or Amalco Common Shares.

## **ARTICLE 5 FURTHER ASSURANCES**

### **5.01 Further Assurances**

Notwithstanding that the transactions and events set out herein will occur and will be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

## **ARTICLE 6 TERMINATION**

### **6.01 Termination**

Notwithstanding any prior approvals by the Court or by MLF Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the issuance of the Certificate of Arrangement, without further approval of the Court or the MLF Shareholders.



## EXHIBIT I

### INITIAL AMENDMENT TO THE ARTICLES OF MAPLE LEAF FOODS INC.

#### **A. COMMON SHARES**

Subject to the terms and conditions of the Preferred Shares and the Special Shares of the Corporation, the Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

##### Dividends

1. The Common Shares, the Non-Voting Common Shares and the Arrangement Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Common Shares, Non-Voting Common Shares and Arrangement Common Shares issued and outstanding without preference or distinction.

##### Voting Rights

2. The holders of the Common Shares shall be entitled to receive notice of, to attend, and to vote at all meetings of shareholders of the Corporation. At such meetings, the holders of the Common Shares shall be entitled to one vote for each Common Share held.

##### Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Common Shares, the holders of the Non-Voting Common Shares and the holders of Arrangement Common Shares shall be paid or distributed equally, share for share, to the holders of the Common Shares, the holders of the Non-Voting Common Shares and the holders of Arrangement Common Shares, respectively, without preference or distinction.

##### Equality of Shares

4. Except as provided for herein, each Common Share, each Non-Voting Common Share and each Arrangement Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Non-Voting Common Shares and/or the Arrangement Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Common Shares to preserve the equivalence of such classes of shares provided for herein.

#### **B. ARRANGEMENT COMMON SHARES**

The Arrangement Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

##### Dividends

1. The Common Shares, the Non-Voting Common Shares and the Arrangement Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Common Shares, Non-Voting Common Shares and Arrangement Common Shares issued and outstanding without preference or distinction.

### Voting Rights

2. The holders of the Arrangement Common Shares shall be entitled to receive notice of, to attend, and to vote at all meetings of shareholders of the Corporation. At such meetings, the holders of the Common Shares shall be entitled to two votes for each Arrangement Common Share held.

### Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Common Shares, the holders of the Non-Voting Common Shares and the holders of the Arrangement Common Shares shall be paid or distributed equally, share for share, to the holders of the Common Shares, the holders of the Non-Voting Common Shares and the holders of the Arrangement Common Shares, respectively, without preference or distinction.

### Equality of Shares

4. Except as provided for herein, each Common Share, each Non-Voting Common Share and each Arrangement Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Non-Voting Common Shares and/or the Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Arrangement Common Shares to preserve the equivalence of such classes of shares provided for herein.

## **C. NON-VOTING COMMON SHARES**

The Non-Voting Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

### Dividends

1. The Non-Voting Common Shares, the Common Shares and the Arrangement Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Non-Voting Common Shares, Common Shares and Arrangement Common Shares issued and outstanding without preference or distinction.

### Non-Voting Rights

2. Except as required by law, the holders of the Non-Voting Common Shares as a class shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Non-Voting Common Shares shall be entitled to receive notice of and to attend meetings of holders of voting shares of the Corporation except meetings at which only holders of a specified class of shares are entitled to vote. The holders of Non-Voting Common Shares shall not be entitled to vote separately as a class, and shall not be entitled to dissent, upon a proposal to amend the articles to: (a) increase or decrease any maximum number of authorized Non-Voting Common Shares resulting from a subdivision or consolidation respectively; (b) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the Non-Voting Common Shares; (c) effect an exchange, reclassification or cancellation of the Non-Voting Common Shares; or (d) create a new class or series of a class of shares equal or superior to the Non-Voting Common Shares, unless the holders of Non-Voting Common Shares are being affected by such amendment in a manner differently from the holders of Common Shares.

### Parity on Liquidation and Dissolution

3. 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, all of the property and

assets of the Corporation available for distribution to the holders of the Non-Voting Common Shares, the holders of the Common Shares and the holders of the Arrangement Common Shares shall be paid or distributed equally, share for share, to the holders of the Non-Voting Common Shares, the holders of the Common Shares and the holders of the Arrangement Common Shares, respectively, without preference or distinction.

#### Equality of Shares

4. Except as provided for herein, each Non-Voting Common Share, each Common Share and each Arrangement Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Common Shares and/or the Arrangement Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Non-Voting Common Shares to preserve the equivalence of such classes of shares provided for herein.

#### Conversion of Non-Voting Common Shares into Common Shares

5. The Non-Voting Common Shares, or any of them, may, upon and subject to the terms and conditions hereinafter set forth, be converted at any time by the holder or holders thereof into fully paid Common Shares of the Corporation as the same shall be constituted at the time of conversion on the basis of one (1) Common Share as presently constituted for one (1) Non-Voting Common Share; provided, however, that in the event of liquidation, dissolution or winding-up of the Corporation, such right of conversion shall cease and expire at noon on the business day next preceding the date of such liquidation, dissolution or winding-up. A holder of Non-Voting Common Shares desiring to convert such shares into Common Shares in accordance with the foregoing shall surrender the certificate or certificates representing the Non-Voting Common Shares to be converted to the registered office of the Corporation, accompanied by a request in writing for such conversion with the holder's signature thereon verified, and any other documentation as the directors of the Corporation may from time to time require, and thereupon there shall be issued to such holder by the Corporation, as fully paid and nonassessable, the number of Common Shares to which the holder is entitled to upon such conversion. Any such conversion of Non-Voting Common Shares into Common Shares shall be deemed to occur on the date such certificate, request in writing and other documentation is delivered to the registered office of the Corporation. The holder shall pay any governmental or other tax imposed on or in respect of such conversion. If only a part of the Non-Voting Common Shares represented by any certificate is to be converted, a new certificate for the balance of the Non-Voting Common Shares held by such shareholder shall be issued by the Corporation.

#### Automatic Conversion of Non-Voting Common Shares Upon Transfer

6. If, at any time, a holder of Non-Voting Common Shares transfers all or a portion of the Non-Voting Common Shares held by such holder, the shares being transferred shall be automatically converted upon such transfer into fully paid Common Shares of the Corporation on the basis of one Common Share for each Non-Voting Common Share simultaneously upon the completion of such transfer, without any further action by the Corporation or any other person, so that the transferee will be a holder of Common Shares in equal number to the Non-Voting Common Shares transferred by the transferor. Following the transfer, the transferee shall surrender to the registered office of the Corporation the certificate or certificates representing the Non-Voting Common Shares transferred by the transferor, accompanied by written evidence of the transfer, as the directors of the Corporation may from time to time require. Upon such surrender, a new share certificate representing an equal number of Common Shares shall be issued to the transferee. If only a part of the Non-Voting Common Shares represented by a certificate were transferred, a new share certificate representing the number of Common Shares received by the transferee shall be issued by the Corporation. In addition, the Corporation shall issue to the transferor a new share certificate representing the portion of Non-Voting Common Shares evidenced by the original certificate which were not transferred by the transferor.

#### **D. PREFERRED SHARES**

The Preferred Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

#### Directors' Authority to Issue in One or More Series

1. The directors of the Corporation may issue the Preferred Shares at any time and from time to time in one or more series.

#### Terms of Each Series

2. Before the first shares of a particular series are issued, the board of directors of the Corporation shall, subject to the limitation on the number of Preferred Shares to be issued as set forth below, fix the number of shares in such series and shall determine, subject to any limitations set forth in these provisions as more fully set forth below, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, the rate and amount of any dividends to be declared, the method of calculation of such dividends and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such dividends shall accrue, the terms of redemption, including the redemption price and other terms and conditions of redemption, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights and the conversion or exchange rights (if any) and any sinking fund, purchase fund or other provisions attaching thereto.

#### First Shares of Each Series

3. Before the issue of the first shares of a series, the board of directors of the Corporation shall send to the Director (as defined in the *Canada Business Corporations Act*) articles of amendment containing a description of such series including the designations, rights, privileges, restrictions and conditions determined by the directors.

#### Ranking of Each Series of Preferred Shares

4. No rights, privileges, restrictions or conditions attaching to a series of Preferred Shares shall confer upon a series a priority over any other series of Preferred Shares in respect of redemption, the payment of dividends, the return of capital or the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in redemption, the payment of dividends, the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

#### Priority

5. Each series of Preferred Shares shall have priority over the Common Shares, the Non-Voting Common Shares and any other class of shares of the Corporation ranking junior to the Preferred Shares, and each series of Preferred Shares shall rank on parity with every other series of Preferred Shares, in each case with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

#### Other Preferences

6. The Preferred Shares of any series may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares, the Non-Voting Common Shares and over any other class of shares of the Corporation ranking junior to the Preferred Shares as may be determined by the board of directors of the Corporation.

#### Dividends

7. The holders of each series of Preferred Shares shall be entitled to receive cumulative dividends as and when declared by the board of directors of the Corporation at a rate per share per annum as determined by the board of directors of the Corporation, acting in good faith, provided, such rate per annum does not

exceed by more than 2% the yield to maturity of an unsecured bond with a Comparable Credit Rating issued by a Comparable Issuer on the Determination Date or such other date as close as practicable to such date, such bond having the same or as close as possible term to maturity as is equal to the period until the series of Preferred Shares are first redeemable in whole or in part. Dividends shall be payable at such places, at such times and with such frequency as may be determined by the board of directors of the Corporation. For purposes hereof:

**“Comparable Issuer”** refers to an issuer selected by the board of directors of the Corporation as being comparable to the Corporation in terms of industry focus and whose outstanding unsecured long-term debt securities have a Comparable Credit Rating.

**“Comparable Credit Rating”** means a credit rating that is the same or that is the closest as possible to the credit rating of the outstanding long-term debt securities of the Corporation.

**“Determination Date”** means the date the rights, privileges, restrictions and conditions attaching to the shares of such series of Preferred Shares are determined.

#### Participation

8. If any cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding up of the Corporation in respect of a series of Preferred Shares are not paid in full, the Preferred Shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Preferred Shares of the amount so payable to such holders as herein provided, the holders of such series of Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Corporation in the event of the liquidation, dissolution or winding up of the Corporation.

#### Conversion Rights

9. No series of Preferred Shares shall be convertible into any other class of shares of the Corporation.

#### Redemption

10. Each series of Preferred Shares shall be redeemable by the Corporation on such terms as determined by the board of directors of the Corporation.

#### Voting Rights

11. Holders of any series of Preferred Shares shall not be entitled to receive notice of, to attend or to vote at any shareholders' meeting of the Corporation except: (a) as provided by law; or (b) upon an event of default by the Corporation where the board of directors of the Corporation has not declared the whole dividend on the particular series of Preferred Shares in any period and in that event, such holders shall be entitled to receive notice of, to attend and to vote at the shareholders' meetings (with one vote for each share held), which voting rights shall cease upon payment by the Corporation of the dividend to which holders are entitled.

#### Variation of Rights

12. The provisions of the Preferred Shares and any series thereof may be amended or repealed at any time with such approval as may be required by law.

#### Limitation on Number of Preferred Shares to be Issued

13. Whenever a share of any series of Preferred Shares is to be issued, the aggregate number of Preferred Shares of such series to be issued shall not exceed that number that is equal to: (A) (i) 25% of the Common Share Market Capitalization as of the Measurement Time, minus (ii) the Preferred Share Market Capitalization as of the Measurement Time, all divided by (B) the issuance price per share of the series of Preferred Shares to be issued.

**“Common Share Market Capitalization”** means the aggregate value of the Corporation's Common Shares and Non-Voting Common Shares issued and outstanding as of the Measurement Time calculated based on the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (or any successor exchange thereto on which the Common Shares may then be traded) for the five (5) trading days immediately preceding the Measurement Time.

**“Preferred Share Market Capitalization”** means the aggregate value of all Preferred Shares of all series issued and outstanding as of the Measurement Time calculated based on the issuance price per share of each such Preferred Share.

**“Measurement Time”** means 5:00 p.m. (Toronto time) on the date on which the board of directors of the Corporation determines the issuance price per share of the series of Preferred Shares to be issued.

#### **E. SPECIAL SHARES**

The Special Shares shall carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

#### Definitions

1. For the purposes of this Section E, the following words and phrases shall have the following meanings:
- (a) **“Butterfly Proportion”** means the fraction A/B where:
    - (i) A = the Net Fair Market Value of the Transferred Property to be transferred by the Corporation to Newco as described in Section 2.03(g) of the Plan of Arrangement, determined immediately before such transfer; and
    - (ii) B = the Net Fair Market Value of all property owned by the Corporation, determined immediately before the transfer of the Transferred Property by the Corporation to Newco as described in Section 2.03(g) of the Plan of Arrangement.
  - (b) **“Dividend Payment Date”** means the last day of the Corporation's fiscal year.
  - (c) **“MLF Common Shares”** has the meaning attributed to such term in the Plan of Arrangement.
  - (d) **“Net Fair Market Value”** of any property shall be determined in accordance with all administrative policies of the Canada Revenue Agency and net of related liabilities, if any.
  - (e) **“Newco”** has the meaning attributed to such term in the Plan of Arrangement.
  - (f) **“Period End Date”** has the meaning attributed to such term in paragraph 2 below.
  - (g) **“Plan of Arrangement”** means the Plan of Arrangement to which this Exhibit I is attached.
  - (h) **“Prime Rate”** means, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by the Royal Bank of Canada on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by the Royal Bank of Canada as its prime rate.

- (i) “**Redemption Amount**” has the meaning attributed to such term in paragraph 4 below.
- (j) “**Retraction Date**” has the meaning attributed to such term in paragraph 5 below.
- (k) “**Transferred Property**” has the meaning attributed to such term in the Plan of Arrangement.

#### Dividends

- 2. The holders of the Special Shares will be entitled to receive, as and when declared by the board of directors of the Corporation and in priority to any payment of dividends on the Common Shares of the Corporation, the Non-Voting Common Shares of the Corporation, the Arrangement Common Shares of the Corporation, or the Preferred Shares of the Corporation, fixed, preferential, non-cumulative, cash dividends equal to the Redemption Amount multiplied by the Prime Rate as of the Dividend Payment Date, payable per annum on the Dividend Payment Date. The holders of the Special Shares shall not be entitled to any dividend other than or in excess of the non-cumulative cash dividends provided for above. If within three months after the expiration of any fiscal year of the Corporation the board of directors of the Corporation in its discretion shall not have declared the said fixed preferential dividend or any part thereof on the Special Shares for such fiscal year then the rights of the holders of the Special Shares to such dividend or any undeclared part thereof shall be forever extinguished. For any period which is less than a full year with respect to any Special Share which is issued, redeemed or repurchased during such year, dividends shall be deemed to accrue on a daily basis and shall be equal to the product of  $A \times B \times C$ , where: A = the Redemption Amount; B = the Prime Rate as of the Period End Date; and C = a fraction of which the numerator is the number of days in such period (including the day at the beginning of such period and excluding the day at the end of such period (the “**Period End Date**”)) and of which the denominator is the number of days in such year (including the day at the beginning thereof and excluding the Dividend Payment Date at the end thereof). If, by reason of insolvency provisions of applicable law or for any other reason, on any Dividend Payment Date the dividends declared as of such date are not paid in full on all of the Special Shares then outstanding, such unpaid dividends shall be paid on a subsequent date or dates determined by the board of directors of the Corporation. The board of directors of the Corporation may, in its sole discretion, declare dividends on the Special Shares to the exclusion of any other class of shares of the Corporation.

#### Liquidation, Dissolution or Winding Up

- 3. 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 Special Shares will be entitled to receive, before any amount shall be paid by the Corporation, or any assets of the Corporation shall be distributed, to the holders of Common Shares of the Corporation, the Non-Voting Common Shares of the Corporation, the Arrangement Common Shares of the Corporation, or the Preferred Shares of the Corporation, an amount equal to the Redemption Amount in respect of each Special Share held by them, respectively, to the extent of the amount or value of the assets of the Corporation available under applicable law for payment to holders of shares of the Corporation upon liquidation, dissolution or winding up of the Corporation. After payment to the holders of the Special Shares of the amount provided above in this paragraph 3 such holders will not be entitled to share in any further distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

#### Redemption by Corporation

- 4. The Corporation may redeem at any time the whole, or from time to time any part, of the then issued and outstanding Special Shares from the holders thereof on payment (which may, at the discretion of the Corporation, be made through the issuance of a promissory note or promissory notes) of: (a) an amount for each Special Share to be redeemed equal to the aggregate fair market value of all of the issued and outstanding MLF Common Shares as of immediately before the completion of the transactions contemplated by Section 2.03(c) of the Plan of Arrangement multiplied by the Butterfly Proportion and then divided by the number of Special Shares issued pursuant to Section 2.03(c) of the Plan of Arrangement; and (b) all declared and unpaid dividends on such Special Share (collectively, the “**Redemption Amount**”).

#### Retraction by Holder

5. Subject to applicable law, a holder of Special Shares will be entitled to require the Corporation to redeem, at any time, all or any of the Special Shares held by such holder, by tendering to the Corporation at its registered office a share certificate or certificates representing the Special Shares that the holder wishes to have the Corporation redeem together with a written request specifying the number of Special Shares to be redeemed and the business day (referred to herein as the “**Retraction Date**”) on which the holder wishes to have the Corporation redeem the Special Shares. Following receipt of such share certificate or certificates and written request, the Corporation will, on the Retraction Date (or as soon as practicable thereafter), redeem such Special Shares by paying to the holder the Redemption Amount for each Special Share so redeemed.

#### Cancellation

6. Any Special Shares that are redeemed by the Corporation as aforesaid will for all purposes be considered to have been redeemed on, and will be cancelled concurrently with, the payment of the Redemption Amount by the Corporation to or for the benefit of the holder thereof.

#### No Dilution

7. For so long as any Special Shares are outstanding, the Corporation will not: (a) declare or pay any dividend on the common shares of the Corporation or the Arrangement Common Shares of the Corporation; or (b) redeem, purchase for cancellation or otherwise acquire any common shares of the Corporation or Arrangement Common Shares of the Corporation, if, in the opinion of the board of directors, the payment of such dividend or the consideration payable in connection with such redemption, purchase or other acquisition, as the case may be, would reduce the net realizable value of the assets of the Corporation (after taking into account all liabilities of the Corporation) to an amount that is less than the product of the Redemption Amount of each Special Share multiplied by the number of Special Shares outstanding immediately before the time of payment of such dividend or consideration, as the case may be.

#### Voting Rights

8. Subject to applicable law, holders of Special Shares will not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and will not be entitled to vote at any such meeting.

#### Specified Amount

9. For the purposes of Section 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of the redemption, acquisition or cancellation of each Special Share shall be the amount specified by a director or an officer of the Corporation in a certificate that is made (a) effective concurrently with the issuance of such Special Share; and (b) pursuant to a resolution of the board of directors duly passed and evidenced in writing authorizing the issuance of such Special Share, such amount to be expressed as a dollar amount (and not expressed as a formula) and shall be equal to the fair market value of the consideration for which such Special Share is issued.



## EXHIBIT II

### INITIAL AMENDMENT TO THE ARTICLES OF 16923534 CANADA INC.

#### A. COMMON SHARES

The common shares of the Corporation shall entitle the holders thereof to vote, on the basis of one vote per common share, at all meetings of shareholders, except meetings at which only holders of another specified class of shares are entitled to vote, and shall, subject to the rights, privileges, restrictions and conditions attaching to the Preferred Shares, whether as a class or a series, and to any other class or series of shares of the Corporation which rank prior to the common shares, entitle the holders thereof to receive (a) 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 amount and payable at such times and at such place or places as the board of directors may from time to time determine and (b) the remaining property of the Corporation upon a dissolution.

#### B. PREFERRED SHARES

The Preferred Shares shall carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

##### Definitions

1. For the purposes of this Section B, the following words and phrases shall have the following meanings:
  - (a) **"Dividend Payment Date"** means the last day of the Corporation's fiscal year.
  - (b) **"Period End Date"** has the meaning attributed to such term in paragraph 2 below.
  - (c) **"Plan of Arrangement"** means the Plan of Arrangement to which this Exhibit II is attached.
  - (d) **"Prime Rate"** means, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by the Royal Bank of Canada on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by the Royal Bank of Canada as its prime rate.
  - (e) **"Redemption Amount"** has the meaning attributed to such term in paragraph 4 below.
  - (f) **"Retraction Date"** has the meaning attributed to such term in paragraph 5 below.
  - (g) **"Transferred Property"** has the meaning attributed to such term in the Plan of Arrangement.

##### Dividends

2. The holders of the Preferred Shares will be entitled to receive, as and when declared by the board of directors of the Corporation and in priority to any payment of dividends on the common shares of the Corporation, fixed, preferential, non-cumulative, cash dividends equal to the Redemption Amount multiplied by the Prime Rate as of the Dividend Payment Date, payable per annum on the Dividend Payment Date. The holders of the Preferred Shares shall not be entitled to any dividend other than or in excess of the non-cumulative cash dividends provided for above. If within three months after the expiration of any fiscal year of the Corporation the board of directors of the Corporation in its discretion shall not have declared the said fixed preferential dividend or any part thereof on the Preferred Shares for such fiscal year then the rights of the holders of the Preferred Shares to such dividend or any undeclared part thereof shall be forever extinguished. For any period which is less than a full year with respect to any Preferred Share which is issued, redeemed or repurchased during such year, dividends shall be deemed to accrue on a daily basis and shall be equal to the product of  $A \times B \times C$ , where: A = the Redemption Amount; B = the Prime Rate as of the Period End Date; and C = a fraction of which the numerator is the number of days in such period (including the day at the beginning of such period and excluding the day at the end of such period (the

“**Period End Date**”)) and of which the denominator is the number of days in such year (including the day at the beginning thereof and excluding the Dividend Payment Date at the end thereof). If, by reason of insolvency provisions of applicable law or for any other reason, on any Dividend Payment Date the dividends declared as of such date are not paid in full on all of the Preferred Shares then outstanding, such unpaid dividends shall be paid on a subsequent date or dates determined by the board of directors of the Corporation. The board of directors of the Corporation may, in its sole discretion, declare dividends on the Preferred Shares to the exclusion of any other class of shares of the Corporation.

#### Liquidation, Dissolution or Winding Up

3. 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 Preferred Shares will be entitled to receive, before any amount shall be paid by the Corporation, or any assets of the Corporation shall be distributed, to the holders of common shares of the Corporation or holders of any other shares of any other class of the Corporation, an amount equal to the Redemption Amount in respect of each Preferred Share held by them, respectively, to the extent of the amount or value of the assets of the Corporation available under applicable law for payment to holders of shares of the Corporation upon liquidation, dissolution or winding up of the Corporation. After payment to the holders of the Preferred Shares of the amount provided above in this paragraph 3, such holders will not be entitled to share in any further distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

#### Redemption by Corporation

4. The Corporation may redeem at any time the whole, or from time to time any part, of the then issued and outstanding Preferred Shares from the holders thereof on payment (which may, at the discretion of the Corporation, be made through the issuance of a promissory note or promissory notes) of: (a) an amount for each Preferred Share to be redeemed equal to the net fair market value of Transferred Property received by the Corporation pursuant to Section 2.03(g) of the Plan of Arrangement, divided by the number of Preferred Shares issued pursuant to Section 2.03(g) of the Plan of Arrangement; and (b) all declared and unpaid dividends on such Preferred Share (collectively, the “**Redemption Amount**”).

#### Retraction by Holder

5. Subject to applicable law, a holder of Preferred Shares will be entitled to require the Corporation to redeem, at any time, all or any of the Preferred Shares held by such holder, by tendering to the Corporation at its registered office a share certificate or certificates representing the Preferred Shares that the holder wishes to have the Corporation redeem together with a written request specifying the number of Preferred Shares to be redeemed and the business day (referred to herein as the “**Retraction Date**”) on which the holder wishes to have the Corporation redeem the Preferred Shares. Following receipt of such share certificate or certificates and written request, the Corporation will, on the Retraction Date (or as soon as practicable thereafter), redeem such Preferred Shares by paying to the holder the Redemption Amount for each Preferred Share so redeemed.

#### Cancellation

6. Any Preferred Shares that are redeemed by the Corporation as aforesaid will for all purposes be considered to have been redeemed on, and will be cancelled concurrently with, the payment of the Redemption Amount by the Corporation to or for the benefit of the holder thereof.

#### No Dilution

7. For so long as any Preferred Shares are outstanding, the Corporation will not: (a) declare or pay any dividend on the shares of any other class of the Corporation; or (b) redeem, purchase for cancellation or otherwise acquire any shares of any other class of the Corporation, if, in the opinion of the board of directors, the payment of such dividend or the consideration payable in connection with such redemption, purchase or other acquisition, as the case may be, would reduce the net realizable value of the assets of the Corporation (after taking into account all liabilities of the Corporation) to an amount that is less than the

product of the Redemption Amount of each Preferred Share multiplied by the number of Preferred Shares outstanding immediately before the time of payment of such dividend or consideration, as the case may be.

#### Voting Rights

8. Subject to applicable law, holders of the Preferred Shares will not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and will not be entitled to vote at any such meeting.

#### Specified Amount

9. For the purposes of Section 191(4) of the *Income Tax Act* (Canada), the amount specified in respect of the redemption, acquisition or cancellation of each Preferred Share shall be the amount specified by a director or an officer of the Corporation in a certificate that is made (a) effective concurrently with the issuance of such Preferred Share; and (b) pursuant to a resolution of the board of directors duly passed and evidenced in writing authorizing the issuance of such Preferred Share, such amount to be expressed as a dollar amount (and not expressed as a formula) and shall be equal to the fair market value of the consideration for which such Preferred Share is issued.

## EXHIBIT III

### ARTICLES OF CANADA PACKERS INC.

#### A. COMMON SHARES

The common shares of the Corporation shall entitle the holders thereof to vote, on the basis of one vote per common share, at all meetings of shareholders, except meetings at which only holders of another specified class of shares are entitled to vote, and shall, subject to the rights, privileges, restrictions and conditions attaching to the Preferred Shares, whether as a class or a series, and to any other class or series of shares of the Corporation which rank prior to the common shares, entitle the holders thereof to receive (a) 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 amount and payable at such times and at such place or places as the board of directors may from time to time determine and (b) the remaining property of the Corporation upon a dissolution.

#### B. PREFERRED SHARES

The Preferred Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

##### Directors' Authority to Issue in One or More Series

1. The Preferred Shares may at any time and from time to time be issued in one or more series. Prior to the issue of Preferred Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, the articles of the Corporation and the provisions of the *Canada Business Corporations Act*, by resolution amend the articles of the Corporation to fix the number of Preferred Shares in such series and determine the designation of, and the rights, restrictions, privileges and conditions attached to, the Preferred Shares of such series including, without limitation:
  - (a) the rate, amount or method of calculation of any dividends and whether such rate, amount or method of calculation is subject to adjustment;
  - (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
  - (c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;
  - (d) if redeemable, retractable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption, retraction or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
  - (e) any rights of conversion, exchange or reclassification and the terms and conditions of such rights; and
  - (f) any other rights, privileges, restrictions and conditions not inconsistent with these provisions;

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

##### Ranking of Preferred Shares of Each Series

2. The Preferred Shares of each series shall with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose

of winding up its affairs, rank (a) on a parity with the Preferred Shares of every other series and (b) senior to the shares of any other class ranking junior to the Preferred Shares. The Preferred Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the shares of any other class ranking junior to the Preferred Shares as may be fixed in accordance with section 1 above.

#### Voting Rights

3. Except as hereinafter specifically provided, as required by the *Canada Business Corporations Act*, by law or as may be required by an order of a court of competent jurisdiction or in accordance with any voting rights which may be attached to any series of Preferred Shares, the holders of Preferred Shares shall not be entitled as such to receive notice of, or attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any meeting. The holders of Preferred Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on any proposal to amend the articles of the Corporation referred to in paragraph (a), (b) or (e) of subsection 176(1) of the *Canada Business Corporations Act*. In the event of any meeting of the holders of Preferred Shares, or any series thereof, each holder of Preferred Shares shall be entitled to one vote in respect of each Preferred Share held. Any approval required to be given by the holders of Preferred Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all the holders of the then outstanding Preferred Shares or by a resolution passed by the affirmative vote of not less than 66⅔% of the votes cast by holders of Preferred Shares who voted in respect of that resolution at a meeting of the holders of Preferred Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than twenty-five percent (25%) of the then outstanding Preferred Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the *Canada Business Corporations Act*, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Preferred Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than 66⅔% of the votes cast by the holders of Preferred Shares at such meeting shall constitute the approval of the holders of Preferred Shares. Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time to time prescribed in the *Canada Business Corporations Act* and the by-laws of the Corporation with respect to meetings of shareholders.

**EXHIBIT IV**

**CANADA PACKERS INC.**

**BY-LAW NUMBER 1**

A By-law relating generally to  
the transaction of the business  
and affairs of  
Canada Packers Inc.

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## **1 - INTERPRETATION**

### **1.1 Definitions - In this by-law and all other by-laws of the Corporation:**

- (a) “the Act” means the *Canada Business Corporations Act* or any statute which may be substituted therefor, including the regulations thereunder, as amended from time to time;
- (b) “articles” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival of the Corporation and includes any amendments thereto;
- (c) “board” means the board of directors of the Corporation;
- (d) “business day” means a day other than a “non-business day”;
- (e) “Corporation” means Canada Packers Inc.;
- (f) “meeting of shareholders” means an annual meeting of shareholders or a special meeting of shareholders;
- (g) “non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act (Canada)*;
- (h) “officer” means any individual appointed as an officer by the board under the provisions of Section 6.1;
- (i) “person” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
- (j) words importing the singular number also include the plural and vice-versa; words importing the masculine gender include the feminine and neuter genders;
- (k) subject to the foregoing, all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act or in the related Parts thereof.

## **2 - GENERAL BUSINESS**

2.1 Registered Office - Until changed in accordance with the Act, the registered office of the Corporation shall be in the province within Canada specified in the articles and at such place and address therein as the board may from time to time determine.

2.2 Corporate Seal - The Corporation may have a corporate seal which shall be adopted and may be changed by the board.

2.3 Financial Year - The financial year of the Corporation shall end on the last Sunday in December of each year or on any other date fixed from time to time by a resolution of the board.

2.4 Execution of Instruments - The board shall from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed or executed on behalf of the Corporation. Notwithstanding the generality of the foregoing, the board may permit or direct that:

- (a) subject to the Act, any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by means of secure electronic signature (as defined in the Act) or facsimile;
- (b) any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed, whether manually or

electronically, by one or more of such persons, shall be an original and all such counterparts together shall constitute one and the same such instrument or document; and

- (c) subject to the Act, wherever a notice, resolution, requisition, statement or other document or other information is required to be created in writing, that requirement be satisfied by the creation of an electronic document.

Where appropriate such instruments may be executed under the corporate seal.

2.5 Authority to Act for Corporation - The board shall from time to time and on such terms and conditions as it may specify authorize any person or class of persons, for and on behalf of the Corporation:

- (a) to make, enter into, execute and deliver any and all leases, extensions and renewals of leases, deeds, assignments, transfers, discharges, releases and main levées;
- (b) to acquire, to dispose of or to take security upon any property whether real or personal, movable or immovable;
- (c) to grant security on any property whether real or personal, movable or immovable;
- (d) to surrender or release security upon any property whether real or personal, movable or immovable; and
- (e) to do any one or more of the foregoing acts relating to any class of transactions or matters.

2.6 Delegation - Subject to the Act, the board may from time to time delegate to a director, a committee of directors or an officer of the Corporation or such other person or persons so designated by the board all or any of the powers conferred on the board by Section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

### **3 - BORROWING AND BANKING**

3.1 Borrowing - Without limit to the powers of the board as provided in the Act, the board may from time to time on behalf of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation; and
- (d) give, directly or indirectly, financial assistance to any person by means of a loan, or guarantee to secure the performance of an obligation or otherwise.

3.2 Banking Arrangements - The banking business of the Corporation, or of any part or division of the Corporation, shall be transacted with such bank, trust company or other firm or body corporate as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time and to the extent thereby provided. Notwithstanding the generality of the foregoing, the board may delegate to officers of the Corporation the authority to designate the employees, by name or by title, who may sign jointly, cheques or other instruments of payment of the Corporation.

### **4 - DIRECTORS**

4.1 Duties of Directors - The board shall manage or supervise the management of, the business and affairs of the Corporation.



4.2 Quorum - Subject to the Act, a majority of the number of directors fixed or elected by shareholders from time to time shall constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of directors may exercise all the powers of the board.

4.3 Meetings by Telephone, Electronic or other Communication Facility - Subject to the Act, if all of the directors of the Corporation consent, a director may participate in a meeting of directors or of a committee of directors by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board held while a director holds office.

4.4 Place of Meetings - Meetings of the board may be held at the registered office of the Corporation or at any other place within or outside Canada.

4.5 Calling of Meetings - Meetings of the board shall be held from time to time at such place, on such day and at such time as the board, the chairman of the board, the chief executive officer or any two directors may determine.

4.6 Notice of Meetings - Notice of the time and place of each meeting of the board shall be given in writing, including by electronic means or by facsimile, to each director not less than 48 hours, exclusive of non-business days, before the time when the meeting is to be held. To the extent feasible, the Notice of Meeting shall specify the business to be transacted at the meeting. A majority of the directors may determine that a matter may be dealt with at the meeting notwithstanding the failure to provide notice to directors in the manner specified in this Section 4.6.

4.7 First Meeting of New Board - Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting following the meeting of shareholders at which such board is elected.

4.8 Votes to Govern - At all meetings of the board any question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is required or demanded.

4.9 Conflict of Interest - A director or an officer of the Corporation who is a party to or is a director or officer of or has a material interest in any person who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation shall disclose the nature and extent of his interest in writing to the Corporation or request that such information be entered in minutes of meetings of the board in a manner specified by the board and such officer or director shall otherwise comply with the provisions of the Act. For purposes of this Section 4.9, a "material contract" or "material transaction" is one that is material to the Corporation or is material to the director or officer.

## **5 - COMMITTEES**

5.1 Committees of Directors - The board may appoint a committee or committees of directors, however designated, and, subject to the Act, may delegate to such committee or committees any of the powers of the board.

5.2 Procedure - Unless otherwise provided in the by-laws or determined by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure. Unless otherwise determined by the board, the provisions of Sections 4.3, 4.4, 4.5, 4.6 and 4.8 shall apply equally to meetings of each committee.

## **6 - OFFICERS**

6.1 Appointment of Officers - Subject to Sections 6.2 and 6.3 the board may from time to time appoint such officers as the board may determine. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation.

6.2 Chief Executive Officer - The board shall designate a chief executive officer. The chief executive officer shall have general supervision of the business and affairs of the Corporation, subject to the direction of the board.

6.3 Secretary - The secretary shall attend and be the secretary of all meetings of the board and shareholders; shall give or cause to be given notice of such meetings; and shall be the custodian of the corporate seal and of the records and contracts, documents and other instruments of the Corporation except when some other person has been designated for that purpose by the board.

6.4 Term of Office - Every officer shall hold office at the pleasure of the board.

## **7 - PROTECTION OF DIRECTORS AND OFFICERS**

### **7.1 Indemnity of Directors and Officers**

- (a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer or an individual acting in a similar capacity, of another entity against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by such individual in respect of any civil, criminal or administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation may advance moneys to such individual for the costs, charges and expenses of a proceeding referred to in (a) provided such individual agrees in advance, in writing, to repay the moneys if the individual does not fulfil the condition of paragraph (c).
- (c) The Corporation may not indemnify an individual under paragraph (a) unless the individual:
  - (i) acted honestly and in good faith with a view to the best interests of the Corporation or other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request, as the case may be; and
  - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful.
- (d) The Corporation may also seek the approval of a court to indemnify an individual referred to in paragraph (a), or advance monies under paragraph (b) in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour, to which such individual is made a party because of the individual's association with the Corporation or other entity as described in paragraph (a) against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in paragraph (c).
- (e) Despite paragraph (a), an individual referred to in that paragraph is entitled to indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the Corporation or other entity as described in paragraph (a), if the individual seeking indemnity:
  - (i) was not adjudged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and
  - (ii) fulfils the conditions set out in paragraph (c).

7.2 Insurance - The Corporation may purchase and maintain insurance for the benefit of an individual referred to in this Section 7 against any liability incurred by the individual:

- (a) in the individual's capacity as a director or officer or former director or officer of the Corporation; or
- (b) in the individual's capacity as a director or officer or former director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

7.3 Indemnification Not Exclusive - Each of the provisions of this Article 7 shall be in addition to and not in substitution for or derogation from any rights to which any person referred to herein may otherwise be entitled.

## **8 - MEETINGS OF SHAREHOLDERS**

8.1 Annual Meetings - Subject to the Act, the annual meeting of shareholders shall be held on such day and at such time in each year as the board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

8.2 Special Meetings - Subject to the Act, the board may at any time call a special meeting of shareholders to be held on such day and at such time as the board may determine for the purposes specified by the board and for the transaction of such other business as may be properly brought before the meeting.

8.3 Notice of Meeting - Notice of the time and place for holding a meeting of shareholders shall be given in the manner provided in Section 11.1 of this by-law not more than 50 days and not fewer than 21 days before the date of the meeting (or within such other time limits as may be prescribed by any other applicable statute or rule or regulation of a stock exchange) to each shareholder entitled to vote at the meeting, to each director and to the auditor of the Corporation.

8.4 Place of Meetings - Subject to the Act, meetings of shareholders shall be held at such place within Canada as the directors shall determine or at any place outside Canada that may be specified in the articles.

8.5 Participation in Meeting by Electronic Means - Subject to the Act, any person entitled to attend a meeting of shareholders may participate in the meeting, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes such a communication facility available. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

8.6 Chairman and Secretary - The chairman of the board or, in the chairman's absence, the vice chairman, if any, or in the vice chairman's absence, the chief executive officer, or in the chief executive officer's absence, the president or in the president's absence, a vice-president shall be chairman of any meeting of shareholders and, if none of the said officers be present within 15 minutes after the time appointed for holding the meeting, the persons present and entitled to vote shall choose a chairman from amongst themselves. The secretary of the Corporation shall act as secretary at any meeting of shareholders or, if the secretary of the Corporation be absent, the chairman of the meeting shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by the chairman with the consent of the meeting.

8.7 Persons Entitled to be Present - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

8.8 Quorum - At any meeting of shareholders, a quorum shall be at least two (2) persons present in person or represented by proxy holding or representing by proxy not less than one-third (1/3) of the shares entitled to be voted thereat. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

8.9 Proxies and Representatives - A shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the power conferred by the proxy.

8.10 Time for Deposit of Proxies - The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours, exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so

specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, it shall have been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

8.11 Voting - Subject to the Act, every matter at a meeting of shareholders shall be decided by a show of hands unless a ballot is required by the chairman or demanded by any person entitled to vote. Upon a show of hands every person entitled to vote shall have one vote. After a vote by a show of hands has been taken the chairman may still require or any person entitled to vote may still demand a ballot thereon. Whenever a vote by show of hands has been taken, unless a ballot is required or demanded, a declaration by the chairman of the meeting that the vote upon the matter has been carried or carried by a particular majority or not carried, and an entry to that effect in the minutes of the meeting, shall be, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution. Subject to the Act, any vote may be held entirely by means of a telephonic, electronic or other communication facility if the Corporation makes available such a communication facility. Subject to the Act, any person participating in a meeting of shareholders electronically and entitled to vote at the meeting may vote by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

8.12 Casting Vote - In case of an equality of votes at any meeting of shareholders either upon a show of hands or upon a ballot, the chairman of the meeting shall not be entitled to a second or casting vote.

8.13 Ballots - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairman may require, or any shareholder or proxyholder entitled to vote at the meeting may demand, a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which each person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

## **9 - SHARES**

9.1 Securities Records - The Corporation shall maintain a register of shares and other securities in which it records the shares and other securities issued by it in registered form, showing with respect to each class or series of shares and other securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;
- (b) the number of shares or other securities held by each holder; and
- (c) the date and particulars of the issue and transfer of each share or other security.

9.2 Transfer Agent and Registrar - The board may appoint, remove or replace a transfer agent or a registrar and one or more branch transfer agents or registrars to maintain a central securities register and branch securities registers.

9.3 Registered Owner of Shares - Subject to the provisions of the Act, the Corporation may treat the registered owner of a share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect thereof and otherwise to exercise all the rights and powers of an owner of a share.

9.4 Share Certificates - Unless otherwise ordered by the board, any share certificates shall be signed by any director or officer of the Corporation and need not be under corporate seal. Signatures may be printed or otherwise mechanically reproduced on the share certificates and every such signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. Share certificates representing shares in respect of which a transfer agent has been appointed shall be countersigned manually by or on behalf of such transfer agent. If a share certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the share certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the share certificate is as valid as if the person were a director or an officer at the date of its issue.

## **10 - DIVIDENDS AND RIGHTS**

10.1 Dividends - Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

10.2 Record Date for Dividends - The board may fix in advance a date, preceding the date for the payment of any dividend by not more than 50 days, for the determination of the persons entitled to receive payment of such dividend. Notice of such date shall be given not less than seven business days prior to such date by press release and by written notice to each stock exchange on which the shares of the Corporation are listed for trading.

10.3 Non-receipt of Payment - In the event of non-receipt or loss of any dividend payment by the person to whom it is sent, the Corporation shall issue to such person a replacement payment for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

10.4 Unclaimed Dividends - Any dividend unclaimed after a period of two years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## **11 - MISCELLANEOUS**

### **11.1 Method of Giving Notices**

- (a) Any notice or other document to be given or sent by the Corporation to a shareholder, director or officer or to the auditor of the Corporation may be given or sent by prepaid mail addressed to, may be delivered personally to, or may be sent by means of fax, e-mail or other form of electronic transmission to, the person to whom it is to be given or sent at his latest address as shown in the records of the Corporation or its transfer agent or in any notice filed in accordance with the provisions of the Act.
- (b) To the extent permitted by law, in addition to the delivery methods set out in (a) above, any notice or other document to be given or sent by the Corporation to a shareholder may be sent by providing or posting the notice or other document on or making it available through a generally accessible electronic source and providing notice of the availability and location of the notice or other document to the shareholder via any of the methods specified in (a) above, including by mail, personal delivery, fax, e-mail or other form of electronic transmission. A notice or other document sent to a shareholder by posting it on or making it available through a generally accessible electronic source shall be deemed to be received on the day such person is sent notice of the availability and location of such notice or other document.

11.2 Waiver of Notice - Any shareholder (or such shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the sending of any notice, or waive or abridge the time for any notice, required to be given to such person under any provision of the Act, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11.3 Omissions and Errors - The accidental omission to give notice to any shareholder, director or officer or to the auditor or the non-receipt of any notice or any error in a notice not affecting the substance thereof shall not invalidate any action taken at any meeting called by such notice or otherwise founded thereon. Any notice with respect to any shares registered in more than one name may, if more than one address appears on the books of the Corporation in respect of such joint holding, be given the joint shareholders at any such address.

11.4 Invalidity - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

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## EXHIBIT V

### **SUBSEQUENT AMENDMENT TO THE ARTICLES OF MAPLE LEAF FOODS INC.**

#### **A. COMMON SHARES**

The Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

##### Dividends

1. The Common Shares and the Non-Voting Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Common Shares and Non-Voting Common Shares issued and outstanding without preference or distinction.

##### Voting Rights

2. The holders of the Common Shares shall be entitled to receive notice of, to attend, and to vote at all meetings of shareholders of the Corporation. At such meetings, the holders of the Common Shares shall be entitled to one vote for each Common Share held.

##### Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Common Shares and the holders of the Non-Voting Common Shares shall be paid or distributed equally, share for share, to the holders of the Common Shares and the holders of the Non-Voting Common Shares, respectively, without preference or distinction.

##### Equality of Shares

4. Except as provided for herein, each Common Share and each Non-Voting Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Non-Voting Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Common Shares to preserve the equivalence of such classes of shares provided for herein.

#### **B. NON-VOTING COMMON SHARES**

The Non-Voting Common Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

##### Dividends

1. The Non-Voting Common Shares and the Common Shares of the Corporation shall participate equally as to dividends. All dividends which the board of directors of the Corporation shall determine to declare and pay, shall be declared and paid in equal amounts per share and at the same time on all Non-Voting Common Shares and Common Shares issued and outstanding without preference or distinction.

##### Non-Voting Rights

2. Except as required by law, the holders of the Non-Voting Common Shares as a class shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Non-Voting Common Shares shall be entitled to receive notice of and to attend meetings of holders of voting shares of the Corporation except meetings at which only holders of a specified class of shares are entitled to vote. The holders of Non-Voting Common Shares shall not be entitled to vote separately as a class, and shall

not be entitled to dissent, upon a proposal to amend the articles to: (a) increase or decrease any maximum number of authorized Non-Voting Common Shares resulting from a subdivision or consolidation respectively; (b) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the Non-Voting Common Shares; (c) effect an exchange, reclassification or cancellation of the Non-Voting Common Shares; or (d) create a new class or series of a class of shares equal or superior to the Non-Voting Common Shares, unless the holders of Non-Voting Common Shares are being affected by such amendment in a manner differently from the holders of Common Shares.

#### Parity on Liquidation and Dissolution

3. 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, all of the property and assets of the Corporation available for distribution to the holders of the Non-Voting Common Shares and the holders of the Common Shares shall be paid or distributed equally, share for share, to the holders of the Non-Voting Common Shares and the holders of the Common Shares, respectively, without preference or distinction.

#### Equality of Shares

4. Except as provided for herein, each Non-Voting Common Share and each Common Share shall have the same rights and attributes and be the same in all respects. Upon any consolidation, subdivision, exchange, reclassification or cancellation of the Common Shares, an equivalent consolidation, subdivision, exchange, reclassification or cancellation shall be made to the Non-Voting Common Shares to preserve the equivalence of such classes of shares provided for herein.

#### Conversion of Non-Voting Common Shares into Common Shares

5. The Non-Voting Common Shares, or any of them, may, upon and subject to the terms and conditions hereinafter set forth, be converted at any time by the holder or holders thereof into fully paid Common Shares of the Corporation as the same shall be constituted at the time of conversion on the basis of one (1) Common Share as presently constituted for one (1) Non-Voting Common Share; provided, however, that in the event of liquidation, dissolution or winding-up of the Corporation, such right of conversion shall cease and expire at noon on the business day next preceding the date of such liquidation, dissolution or winding-up. A holder of Non-Voting Common Shares desiring to convert such shares into Common Shares in accordance with the foregoing shall surrender the certificate or certificates representing the Non-Voting Common Shares to be converted to the registered office of the Corporation, accompanied by a request in writing for such conversion with the holder's signature thereon verified, and any other documentation as the directors of the Corporation may from time to time require, and thereupon there shall be issued to such holder by the Corporation, as fully paid and nonassessable, the number of Common Shares to which the holder is entitled to upon such conversion. Any such conversion of Non-Voting Common Shares into Common Shares shall be deemed to occur on the date such certificate, request in writing and other documentation is delivered to the registered office of the Corporation. The holder shall pay any governmental or other tax imposed on or in respect of such conversion. If only a part of the Non-Voting Common Shares represented by any certificate is to be converted, a new certificate for the balance of the Non-Voting Common Shares held by such shareholder shall be issued by the Corporation.

#### Automatic Conversion of Non-Voting Common Shares Upon Transfer

6. If, at any time, a holder of Non-Voting Common Shares transfers all or a portion of the Non-Voting Common Shares held by such holder, the shares being transferred shall be automatically converted upon such transfer into fully paid Common Shares of the Corporation on the basis of one Common Share for each Non-Voting Common Share simultaneously upon the completion of such transfer, without any further action by the Corporation or any other person, so that the transferee will be a holder of Common Shares in equal number to the Non-Voting Common Shares transferred by the transferor. Following the transfer, the transferee shall surrender to the registered office of the Corporation the certificate or certificates representing the Non-Voting Common Shares transferred by the transferor, accompanied by written evidence of the transfer, as the directors of the Corporation may from time to time require. Upon such



surrender, a new share certificate representing an equal number of Common Shares shall be issued to the transferee. If only a part of the Non-Voting Common Shares represented by a certificate were transferred, a new share certificate representing the number of Common Shares received by the transferee shall be issued by the Corporation. In addition, the Corporation shall issue to the transferor a new share certificate representing the portion of Non-Voting Common Shares evidenced by the original certificate which were not transferred by the transferor.

## **C. PREFERRED SHARES**

The Preferred Shares shall, as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set forth:

### Directors' Authority to Issue in One or More Series

1. The directors of the Corporation may issue the Preferred Shares at any time and from time to time in one or more series.

### Terms of Each Series

2. Before the first shares of a particular series are issued, the board of directors of the Corporation shall, subject to the limitation on the number of Preferred Shares to be issued as set forth below, fix the number of shares in such series and shall determine, subject to any limitations set forth in these provisions as more fully set forth below, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, the rate and amount of any dividends to be declared, the method of calculation of such dividends and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such dividends shall accrue, the terms of redemption, including the redemption price and other terms and conditions of redemption, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights and the conversion or exchange rights (if any) and any sinking fund, purchase fund or other provisions attaching thereto.

### First Shares of Each Series

3. Before the issue of the first shares of a series, the board of directors of the Corporation shall send to the Director (as defined in the *Canada Business Corporations Act*) articles of amendment containing a description of such series including the designations, rights, privileges, restrictions and conditions determined by the directors.

### Ranking of Each Series of Preferred Shares

4. No rights, privileges, restrictions or conditions attaching to a series of Preferred Shares shall confer upon a series a priority over any other series of Preferred Shares in respect of redemption, the payment of dividends, the return of capital or the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in redemption, the payment of dividends, the return of capital and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

### Priority

5. Each series of Preferred Shares shall have priority over the Common Shares, the Non-Voting Common Shares and any other class of shares of the Corporation ranking junior to the Preferred Shares, and each series of Preferred Shares shall rank on parity with every other series of Preferred Shares, in each case with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

## Other Preferences

6. The Preferred Shares of any series may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares, the Non-Voting Common Shares and over any other class of shares of the Corporation ranking junior to the Preferred Shares as may be determined by the board of directors of the Corporation.

## Dividends

7. The holders of each series of Preferred Shares shall be entitled to receive cumulative dividends as and when declared by the board of directors of the Corporation at a rate per share per annum as determined by the board of directors of the Corporation, acting in good faith, provided, such rate per annum does not exceed by more than 2% the yield to maturity of an unsecured bond with a Comparable Credit Rating issued by a Comparable Issuer on the Determination Date or such other date as close as practicable to such date, such bond having the same or as close as possible term to maturity as is equal to the period until the series of Preferred Shares are first redeemable in whole or in part. Dividends shall be payable at such places, at such times and with such frequency as may be determined by the board of directors of the Corporation. For purposes hereof:

**“Comparable Issuer”** refers to an issuer selected by the board of directors of the Corporation as being comparable to the Corporation in terms of industry focus and whose outstanding unsecured long-term debt securities have a Comparable Credit Rating.

**“Comparable Credit Rating”** means a credit rating that is the same or that is the closest as possible to the credit rating of the outstanding long-term debt securities of the Corporation.

**“Determination Date”** means the date the rights, privileges, restrictions and conditions attaching to the shares of such series of Preferred Shares are determined.

## Participation

8. If any cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding up of the Corporation in respect of a series of Preferred Shares are not paid in full, the Preferred Shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Preferred Shares of the amount so payable to such holders as herein provided, the holders of such series of Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Corporation in the event of the liquidation, dissolution or winding up of the Corporation.

## Conversion Rights

9. No series of Preferred Shares shall be convertible into any other class of shares of the Corporation.

## Redemption

10. Each series of Preferred Shares shall be redeemable by the Corporation on such terms as determined by the board of directors of the Corporation.

## Voting Rights

11. Holders of any series of Preferred Shares shall not be entitled to receive notice of, to attend or to vote at any shareholders' meeting of the Corporation except: (a) as provided by law; or (b) upon an event of default by the Corporation where the board of directors of the Corporation has not declared the whole dividend on the particular series of Preferred Shares in any period and in that event, such holders shall be entitled to

receive notice of, to attend and to vote at the shareholders' meetings (with one vote for each share held), which voting rights shall cease upon payment by the Corporation of the dividend to which holders are entitled.

#### Variation of Rights

12. The provisions of the Preferred Shares and any series thereof may be amended or repealed at any time with such approval as may be required by law.

#### Limitation on Number of Preferred Shares to be Issued

13. Whenever a share of any series of Preferred Shares is to be issued, the aggregate number of Preferred Shares of such series to be issued shall not exceed that number that is equal to: (A) (i) 25% of the Common Share Market Capitalization as of the Measurement Time, minus (ii) the Preferred Share Market Capitalization as of the Measurement Time, all divided by (B) the issuance price per share of the series of Preferred Shares to be issued.

"Common Share Market Capitalization" means the aggregate value of the Corporation's Common Shares and Non-Voting Common Shares issued and outstanding as of the Measurement Time calculated based on the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (or any successor exchange thereto on which the Common Shares may then be traded) for the five (5) trading days immediately preceding the Measurement Time.

"Preferred Share Market Capitalization" means the aggregate value of all Preferred Shares of all series issued and outstanding as of the Measurement Time calculated based on the issuance price per share of each such Preferred Share.

"Measurement Time" means 5:00 p.m. (Toronto time) on the date on which the board of directors of the Corporation determines the issuance price per share of the series of Preferred Shares to be issued.