

RECORDATION FC
PATENT

05-10-2001

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

101712465

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof

1. Name of conveying party(ies):

Big 'O' Inc.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
x Other Amalgamation

Execution Date: March 10, 2000

2. Name and address of receiving party(ies):

Name: ARMTEC LIMITED

Internal Address: _____

Street Address: 1296 South Service Road
Oakville, Ontario
L6L 5T7 CANADA

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

(Our File: T8912451)

B. Patent No.(s)

4,911,633	5,441,588	5,888,024
5,017,321	5,510,071	5,893,961
5,112,546	5,609,713	

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Arne I. Fors
Gowling Lafleur Henderson LLP

Street Address: Suite 4900
Commerce Court West
Toronto, Ontario
M5L 1J3
CANADA

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3:41) \$ 320.00

☐ Enclosed

x Authorized to be charged to deposit account

8. Deposit account number:
07/1750

(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and Signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Arne I. FORS, Registration No. 20,775

Name of Person Signing

Signature

Date

Total number of pages comprising cover sheet:

24

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2.

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

(A) Les actionnaires de chaque compagnie qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176 (4) de la Loi sur les compagnies à la date mentionnée ci-dessous.



Check A or B Cocher A ou B

(B) The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the Business Corporations Act on the date set out below. The articles of amalgamation in substance contain the provisions of the articles of incorporation of



(B) Les administrateurs de chaque compagnie qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la Loi sur les compagnies à la date mentionnée ci-dessous. Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

and are more particularly set out in these articles.

et sont énoncées textuellement aux présents statuts.

Names of amalgamating corporations Dénomination sociale des compagnies qui fusionnent	Ontario Corporation Number Numéro de la compagnie en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation
ARMTEC LIMITED/ ARMTEC LIMITÉE	1403902	March 10, 2000
BIG 'O' INC.	875021	March 10, 2000

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6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.

Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

None.

7. The classes and any maximum number of shares that the corporation is authorized to issue:

Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

The Corporation is authorized to issue an unlimited number of preferred shares, issuable in series, the first series of which consists of an unlimited number of preferred shares, Series 1, and an unlimited number of common shares.

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8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série:

4.

Subject to the requirements of the Business Corporations Act as now enacted or as the same may from time to time be amended, re-enacted or replaced (the "Act") the rights, privileges, restrictions and conditions attaching to the preferred shares, issuable in series and to the common shares are as follows:

A. PREFERRED SHARES, AS A CLASS

The rights, privileges, restrictions and conditions attaching to the preferred shares, issuable in series, as a class, are as follows:

1. The preferred shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the board of directors of the Corporation.

2. The board of directors of the Corporation shall, subject as hereinafter provided by resolution duly passed before the issue of the preferred shares of each series, fix the designation, rights, privileges, restrictions and conditions to be attached to the preferred shares of such series.

3. With respect to payment of dividends and priority in the distribution of assets 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 among its shareholders for the purpose of winding-up its affairs, the preferred shares of each series shall be entitled to preference over the common shares of the Corporation and over any other shares ranking junior to the preferred shares; and the preferred shares of each series may also be given such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be determined as to the respective series authorized to be issued.

4. The preferred shares of each series shall rank on a parity with the preferred shares of every other series with respect to priority in payment of dividends and in the distribution of assets 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 among its shareholders for the purpose of winding-up its affairs.

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B. PREFERRED SHARES, SERIES 1

In addition to the rights, privileges, restrictions and conditions attaching to the preferred shares of the Corporation as a class, the rights, privileges, restrictions and conditions attaching to the preferred shares, Series 1 are as follows:

1. Dividends

The holders of the preferred shares, Series 1, in priority to the common shares and all other shares ranking junior to the preferred shares, Series 1, shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, non-cumulative cash dividends at the rate of \$0.07 per share, per annum. Cheques of the Corporation payable at par at any branch of the Corporation's bankers in Canada shall be issued in respect of such dividends and payment thereof shall satisfy such dividends. The board of directors shall be entitled from time to time to declare part of the said dividends for any financial year notwithstanding that such dividends for such financial year shall not be declared in full. If within four months after the expiration of any financial year of the Corporation the board of directors in its discretion shall not have declared the said dividends or any part thereof on the preferred shares, Series 1 for such financial year, then the rights of the holders of the preferred shares, Series 1 to such dividends or to any undeclared part thereof for such financial year shall be forever extinguished. The holders of the preferred shares, Series 1 shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

2. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding-up its affairs, the holders of the preferred shares, Series 1 shall be entitled to receive from the assets of the Corporation a sum equivalent to the aggregate Redemption Amount (as hereinafter defined) of all of the preferred shares, Series 1 held by them respectively before any amount shall be paid or any assets of the Corporation distributed to the holders of any common shares or shares of any other class ranking junior to the preferred shares, Series 1. After payment to the holders of the preferred shares, Series 1 of the amount so payable to them as above provided they shall not be entitled to share in any further distribution of the assets of the Corporation.

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3. Redemption

(a) The Corporation may, subject to the requirements of the Act, upon giving notice as hereinafter provided, redeem at any time the whole, or from time to time any part, of the then outstanding preferred shares, Series 1 on payment of a redemption price of \$1.00 per share plus all declared and unpaid non-cumulative cash dividends thereon, the whole constituting and being herein referred to as the "Redemption Amount"; and

(b) In the case of redemption of preferred shares, Series 1 under the provisions of sub-clause 3(a) hereof, the Corporation shall, unless waived in writing by the holders of all of the preferred shares, Series 1, at least 10 days before the date specified for redemption deliver or mail to each person who at the date of mailing is a registered holder of preferred shares, Series 1 to be redeemed a notice in writing of the intention of the Corporation to redeem such preferred shares, Series 1. Such notice shall be delivered or mailed by letter, postage prepaid, addressed to each such shareholder at his address as it appears on the records of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder or if delivered, delivered to each such shareholder at such address; provided, however, that accidental failure to give any such notice to one or more of such shareholders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number thereof to be so redeemed; provided, however, that if a part only of the preferred shares, Series 1 for the time being outstanding is to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or if the directors so determine may be redeemed pro rata (disregarding fractions) unless otherwise agreed in writing by the holders of all of the preferred shares, Series 1. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the preferred shares, Series 1 to be redeemed the Redemption Amount thereof on presentation and surrender at the registered office of the Corporation or any other place designated in such notice of the certificates representing the preferred shares, Series 1 called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. If less than all of the preferred shares, Series 1 represented by any certificate are redeemed the holder shall be entitled to receive a new certificate for that number of preferred shares, Series 1 represented by the original certificate which are not redeemed. From and after the date specified for redemption in any such notice the holders of the preferred shares, Series 1 called for redemption shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the

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Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of shareholders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any preferred shares, Series 1 to deposit the Redemption Amount of the shares so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or in any trust company in Canada, named in such notice, to be paid without interest to or to the order of the respective holders of such preferred shares, Series 1 called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the preferred shares, Series 1 in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Amount so deposited against presentation and surrender of the said certificates held by them respectively and any interest on the amount so deposited shall be for the account of the Corporation. If any part of the total Redemption Amount so deposited has not been paid to or to the order of the respective holders of the preferred shares, Series 1 which were called for redemption within two years after the date upon which such deposit was made or the date specified for redemption in the said notice, whichever is the later, such balance remaining in the said special account shall be returned to the Corporation without prejudice to the rights of the holders of the shares being redeemed to claim the Redemption Amount without interest from the Corporation.

4. Retraction

Any holder of preferred shares, Series 1 shall be entitled to require the Corporation to redeem, subject to the requirements of the Act, at any time or times all or any of the preferred shares, Series 1 registered in the name of such holder on the books of the Corporation by tendering to the Corporation at the registered office of the Corporation a share certificate or certificates representing the preferred shares, Series 1 which the registered holder desires to have the Corporation redeem together with a notice in writing specifying (i) that the registered holder desires to have the preferred shares, Series 1 represented by such certificate or certificates redeemed by the Corporation and (ii) the business day ("Retraction Date") on which the holder desires to have the Corporation redeem such preferred shares, Series 1. The Retraction Date shall not be less than 30 days after the day on which the notice in writing is given to the Corporation without the consent of the Corporation. Upon receipt of a share certificate or certificates representing the preferred shares, Series 1 which the

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registered holder desires to have the Corporation redeem together with such notice, the Corporation shall on the Retraction Date redeem such preferred shares, Series 1 by paying to such registered holder the Redemption Amount for each such preferred share, Series 1 being redeemed. Such payment shall be made by a cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. If less than all of the preferred shares, Series 1 represented by any certificate are redeemed, the holder shall be entitled to receive a new certificate for that number of preferred shares, Series 1 represented by the original certificate or certificates which are not redeemed. The said preferred shares, Series 1 shall be redeemed on the Retraction Date and from and after the Retraction Date the holder of such shares shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders of preferred shares, Series 1 in respect thereof unless payment of the Redemption Amount is not made on the Retraction Date, in which event the rights of the holder of the said preferred shares, Series 1 shall remain unaffected.

5. Voting Rights

Except as otherwise provided by law, the holders of the preferred shares, Series 1 as such shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation, unless the meeting is called to consider any matter in respect of which the holders of the preferred shares, Series 1 would be entitled to vote separately as a class or for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all the property of the Corporation other than in the ordinary course of business of the Corporation under subsection 184(3) of the Act, in which case the holders of the preferred shares, Series 1 shall be entitled to receive notice of and to attend such meeting. The holders of the preferred shares, Series 1 as such shall not be entitled either to vote at any meeting of the shareholders of the Corporation or to sign a resolution in writing, except, subject as hereinafter provided, at a meeting called to consider, or a resolution in writing in respect of, any matter in respect of which the holders of the preferred shares, Series 1 would be entitled to vote separately as a class pursuant to the Act.

C. COMMON SHARES

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

1. Dividends

Subject to the prior rights of the holders of the preferred shares of the Corporation, the Board of directors of the Corporation may declare and cause to be paid dividends to the

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holders of the common shares from any assets at the time properly applicable to the payment of dividends.

2. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the preferred shares of the Corporation, the holders of the common shares shall be entitled to receive the remaining assets of the Corporation.

3. Voting Rights

The holders of the common shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation, and shall be entitled to one vote in respect of each common share held at such meetings, except a meeting of holders of a particular class of shares other than the common shares who are entitled to vote separately as a class at such meeting.

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9. The issue, transfer or ownership of shares is/are not restricted and the restrictions (if any) are as follows:

L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

The transfer of shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares without either:

- (a) the approval of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or
- (b) the approval of the holders of at least a majority of the shares of the Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares of the Corporation) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares.

10. Other provisions, (if any):

Autres dispositions s'il y a lieu:

1. (a) The number of shareholders of the Corporation, exclusive of persons who are in the employment of the Corporation and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are joint registered owners of one or more shares being counted as one shareholder; and
- (b) any invitation to the public to subscribe for securities of the Corporation is prohibited.

2. In addition to, and without limiting such other powers which the Corporation may by law possess, the directors of the Corporation may, without authorization of the shareholders, for the purpose of securing any bonds, debentures or debenture stock which the Corporation is by law entitled to issue, by authentic deed or otherwise, grant a hypothec or mortgage, including a floating hypothec or mortgage, on a universality of property, movable or immovable, present or future, corporeal or incorporeal, of the corporation, and pledge, cede or transfer any property, movable or immovable, present or future, corporeal or incorporeal, of the Corporation.

11. The statements required by subsection 178(2) of the Business Corporations Act are attached as Schedule "A".

Les déclarations exigées aux termes du paragraphe 178(2) de la Loi sur les compagnies constituent l'annexe "A".

12. A copy of the amalgamation agreement or directors resolutions (as the case may be) is/are attached as Schedule "B".

Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe "B".

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These articles are signed in duplicate.

Les présents sont statuts signés en double exemplaire.

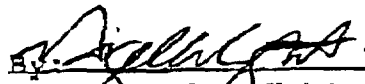
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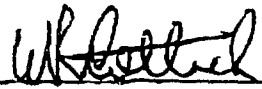
Names of the amalgamating corporations and
signatures and descriptions of office of their proper
officers.

Dénomination sociale des compagnies qui fusionnent,
signature et fonction de leurs dirigeants régulièrement
désignés.

ARMTEC LIMITED/
ARMTEC LIMITÉE

BIG 'O' INC.

By: 
Name: Nigel S. Wright
Title: Assistant Secretary

By: 
Name: William R. Cottick
Title: Secretary

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SCHEDULE "A"

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT (ONTARIO)

AND IN THE MATTER OF THE PROPOSED AMALGAMATION OF
ARMTEC LIMITED AND BIG 'O' INC.

I, Nigel S. Wright, hereby make the following statement in support of the above-mentioned amalgamation pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario) (the "Act"):

1. I am the Assistant Secretary of ARMTEC LIMITED ("Armtec") and as such have personal knowledge of the following matters;
2. There are reasonable grounds for believing that Armtec is and the amalgamated corporation resulting from the amalgamation of Armtec and Big 'O' Inc. will be able to pay their respective liabilities as they become due and that the realizable value of the said amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes;
3. There are reasonable grounds for believing that no creditor will be prejudiced by the amalgamation;
4. No creditors have notified Armtec that they object to the amalgamation and accordingly clause (c) of subsection 178(2) of the Act has no application; and
5. Since Armtec has not received any notices pursuant to clause (c) of subsection 178(2) of the Act, clause (d) of subsection 178(2) of the Act has no application in the present circumstances.

DATED as of the 10th day of March, 2000.
Nigel S. Wright

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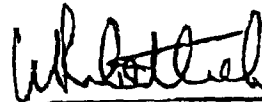
SCHEDULE "A"

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT ONTARIO
AND IN THE MATTER OF THE PROPOSED AMALGAMATION OF
ARMTEC LIMITED AND BIG 'O' INC.

I, William R. Cortick, hereby make the following statement in support of the above-mentioned amalgamation pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario) (the "Act"):

1. I am the Secretary of BIG 'O' INC. ("Big") and as such have personal knowledge of the following matters;
2. There are reasonable grounds for believing that Big is and the amalgamated corporation resulting from the amalgamation of Big and Armtec Limited will be able to pay their respective liabilities as they become due and that the realizable value of the said amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes;
3. There are reasonable grounds for believing that no creditor will be prejudiced by the amalgamation;
4. No creditors have notified Big that they object to the amalgamation and accordingly clause (c) of subsection 178(2) of the Act has no application; and
5. Since Big has not received any notices pursuant to clause (c) of subsection 178(2) of the Act, clause (d) of subsection 178(2) of the Act has no application in the present circumstances.

DATED as of the 10th day of March, 2000.



William R. Cortick

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SCHEDULE "B"AMALGAMATION AGREEMENTTHIS AGREEMENT made as of the 10th day of March, 2000.

B E T W E E N :

ARMTEC LIMITED, a corporation incorporated under the laws of
the Province of Ontario

(hereinafter called "Armtec")

- and -

BIG 'O' INC., a corporation amalgamated under the laws of the
Province of Ontario

(hereinafter called "Big 'O'")

WHEREAS the authorized capital of Armtec is an unlimited number of preferred shares, issuable in series, the first series of which consists of an unlimited number of preferred shares, Series 1, and an unlimited number of common shares, of which 15,106,040 of the preferred shares, Series 1 and 101 of the common shares are issued and outstanding as fully paid and non-assessable;

AND WHEREAS the authorized capital of Big 'O' is an unlimited number of shares of one class designated as common shares, an unlimited number of shares of one class designated as Class "A" special shares, and an unlimited number of shares of one class designated as Class "One" preference shares, issuable in series, of which 1,982,800 of the common shares and none of the Class "A" special shares or the Class "One" preference shares, issuable in series are issued and outstanding as fully paid and non-assessable;

AND WHEREAS Armtec and Big 'O' acting under the authority contained in the Business Corporations Act (the "Act") propose to amalgamate upon the terms and conditions hereinafter set out;

AND WHEREAS each party hereto has made full and complete disclosure to the other party hereto of its assets and liabilities;

NOW THEREFORE THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement the term "Amalgamated Corporation" shall mean the corporation continuing from the amalgamation of Armtec and Big 'O'.

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2. Armtec and Big 'O' hereby agree to amalgamate under the provisions of the Act and to continue as one corporation under the terms and conditions hereinafter set out.

3. The name of the Amalgamated Corporation shall be ARMTEC LIMITED/ARMTEC LIMITEE.

4. The place in Ontario where the registered office of the Amalgamated Corporation is to be situated is in the Regional Municipality of Halton, at 1296 South Service Road, Oakville, Ontario L6L 5T7, until changed in accordance with the Act.

5. The Amalgamated Corporation shall be authorized to issue an unlimited number of preferred shares, issuable in series, the first series of which shall consist of an unlimited number of preferred shares, Series 1, and an unlimited number of common shares.

6. Subject to the requirements of the Act, the rights, privileges, restrictions and conditions attaching to the preferred shares, issuable in series and to the common shares are as follows (in paragraph 6 of this Agreement the Amalgamated Corporation is referred to as the "Corporation"):

"A. PREFERRED SHARES, AS A CLASS

The rights, privileges, restrictions and conditions attaching to the preferred shares, issuable in series, as a class, are as follows:

1. The preferred shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the board of directors of the Corporation.

2. The board of directors of the Corporation shall, subject as hereinafter provided by resolution duly passed before the issue of the preferred shares of each series, fix the designation, rights, privileges, restrictions and conditions to be attached to the preferred shares of such series.

3. With respect to payment of dividends and priority in the distribution of assets 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 among its shareholders for the purpose of winding-up its affairs, the preferred shares of each series shall be entitled to preference over the common shares of the Corporation and over any other shares ranking junior to the preferred shares; and the preferred shares of each series may also be given such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be determined as to the respective series authorized to be issued.

4. The preferred shares of each series shall rank on a parity with the preferred shares of every other series with respect to priority in payment of dividends and in the distribution of assets 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 among its shareholders for the purpose of winding-up its affairs.

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3.

B. PREFERRED SHARES, SERIES 1

In-addition to the rights, privileges, restrictions and conditions attaching to the preferred shares of the Corporation as a class, the rights, privileges, restrictions and conditions attaching to the preferred shares, Series 1 are as follows:

1. Dividends

The holders of the preferred shares, Series 1, in priority to the common shares and all other shares ranking junior to the preferred shares, Series 1, shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, non-cumulative cash dividends at the rate of \$0.07 per share, per annum. Cheques of the Corporation payable at par at any branch of the Corporation's bankers in Canada shall be issued in respect of such dividends and payment thereof shall satisfy such dividends. The board of directors shall be entitled from time to time to declare part of the said dividends for any financial year notwithstanding that such dividends for such financial year shall not be declared in full. If within four months after the expiration of any financial year of the Corporation the board of directors in its discretion shall not have declared the said dividends or any part thereof on the preferred shares, Series 1 for such financial year, then the rights of the holders of the preferred shares, Series 1 to such dividends or to any undeclared part thereof for such financial year shall be forever extinguished. The holders of the preferred shares, Series 1 shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

2. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding-up its affairs, the holders of the preferred shares, Series 1 shall be entitled to receive from the assets of the Corporation a sum equivalent to the aggregate Redemption Amount (as hereinafter defined) of all of the preferred shares, Series 1 held by them respectively before any amount shall be paid or any assets of the Corporation distributed to the holders of any common shares or shares of any other class ranking junior to the preferred shares, Series 1. After payment to the holders of the preferred shares, Series 1 of the amount so payable to them as above provided they shall not be entitled to share in any further distribution of the assets of the Corporation.

3. Redemption

(a) The Corporation may, subject to the requirements of the Act, upon giving notice as hereinafter provided, redeem at any time the whole, or from time to time any part, of the then outstanding preferred shares, Series 1 on payment of a redemption price of \$1.00 per share plus all declared and unpaid non-cumulative cash dividends thereon, the whole constituting and being herein referred to as the "Redemption Amount"; and

(b) In the case of redemption of preferred shares, Series 1 under the provisions of sub-clause 3(a) hereof, the Corporation shall, unless waived in writing by the holders of all of the preferred shares, Series 1, at least 10 days before the date specified for redemption deliver or mail to each person who at the date of mailing is a registered holder of preferred shares, Series 1

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to be redeemed a notice in writing of the intention of the Corporation to redeem such preferred shares, Series 1. Such notice shall be delivered or mailed by letter, postage prepaid, addressed to each such shareholder at his address as it appears on the records of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder or if delivered, delivered to each such shareholder at such address; provided, however, that accidental failure to give any such notice to one or more of such shareholders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number thereof to be so redeemed; provided, however, that if a part only of the preferred shares, Series 1 for the time being outstanding is to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or if the directors so determine may be redeemed pro rata (disregarding fractions) unless otherwise agreed in writing by the holders of all of the preferred shares, Series 1. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the preferred shares, Series 1 to be redeemed the Redemption Amount thereof on presentation and surrender at the registered office of the Corporation or any other place designated in such notice of the certificates representing the preferred shares, Series 1 called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. If less than all of the preferred shares, Series 1 represented by any certificate are redeemed the holder shall be entitled to receive a new certificate for that number of preferred shares, Series 1 represented by the original certificate which are not redeemed. From and after the date specified for redemption in any such notice the holders of the preferred shares, Series 1 called for redemption shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Amount shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of shareholders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any preferred shares, Series 1 to deposit the Redemption Amount of the shares so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or in any trust company in Canada, named in such notice, to be paid without interest to or to the order of the respective holders of such preferred shares, Series 1 called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the preferred shares, Series 1 in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Amount so deposited against presentation and surrender of the said certificates held by them respectively and any interest on the amount so deposited shall be for the account of the Corporation. If any part of the total Redemption Amount so deposited has not been paid to or to the order of the respective holders of the preferred shares, Series 1 which were called for redemption within two years after the date upon which such deposit was made or the date specified for redemption in the said notice, whichever is the later, such balance remaining in the said special account shall be returned to the Corporation without prejudice to the rights of the

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holders of the shares being redeemed to claim the Redemption Amount without interest from the Corporation.

4. Retraction

Any holder of preferred shares, Series 1 shall be entitled to require the Corporation to redeem, subject to the requirements of the Act, at any time or times all or any of the preferred shares, Series 1 registered in the name of such holder on the books of the Corporation by tendering to the Corporation at the registered office of the Corporation a share certificate or certificates representing the preferred shares, Series 1 which the registered holder desires to have the Corporation redeem together with a notice in writing specifying (i) that the registered holder desires to have the preferred shares, Series 1 represented by such certificate or certificates redeemed by the Corporation and (ii) the business day ("Retraction Date") on which the holder desires to have the Corporation redeem such preferred shares, Series 1. The Retraction Date shall not be less than 30 days after the day on which the notice in writing is given to the Corporation without the consent of the Corporation. Upon receipt of a share certificate or certificates representing the preferred shares, Series 1 which the registered holder desires to have the Corporation redeem together with such notice, the Corporation shall on the Retraction Date redeem such preferred shares, Series 1 by paying to such registered holder the Redemption Amount for each such preferred share, Series 1 being redeemed. Such payment shall be made by a cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. If less than all of the preferred shares, Series 1 represented by any certificate are redeemed, the holder shall be entitled to receive a new certificate for that number of preferred shares, Series 1 represented by the original certificate or certificates which are not redeemed. The said preferred shares, Series 1 shall be redeemed on the Retraction Date and from and after the Retraction Date the holder of such shares shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders of preferred shares, Series 1 in respect thereof unless payment of the Redemption Amount is not made on the Retraction Date, in which event the rights of the holder of the said preferred shares, Series 1 shall remain unaffected.

5. Voting Rights

Except as otherwise provided by law, the holders of the preferred shares, Series 1 as such shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation, unless the meeting is called to consider any matter in respect of which the holders of the preferred shares, Series 1 would be entitled to vote separately as a class or for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all the property of the Corporation other than in the ordinary course of business of the Corporation under subsection 184(3) of the Act, in which case the holders of the preferred shares, Series 1 shall be entitled to receive notice of and to attend such meeting. The holders of the preferred shares, Series 1 as such shall not be entitled either to vote at any meeting of the shareholders of the Corporation or to sign a resolution in writing, except, subject as hereinafter provided, at a meeting called to consider, or a resolution in writing in respect of, any matter in respect of which the holders of the preferred shares, Series 1 would be entitled to vote separately as a class pursuant to the Act.

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C. COMMON SHARES

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

1. Dividends

Subject to the prior rights of the holders of the preferred shares of the Corporation, the board of directors of the Corporation may declare and cause to be paid dividends to the holders of the common shares from any assets at the time properly applicable to the payment of dividends.

2. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of the preferred shares of the Corporation, the holders of the common shares shall be entitled to receive the remaining assets of the Corporation.

3. Voting Rights

The holders of the common shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation, and shall be entitled to one vote in respect of each common share held at such meetings, except a meeting of holders of a particular class of shares other than the common shares who are entitled to vote separately as a class at such meeting."

7. The right to transfer shares of the Amalgamated Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares without either:

- (a) the approval of the directors of the Amalgamated Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or
- (b) the approval of the holders of at least a majority of the shares of the Amalgamated Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares of the Corporation) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares.

8. The minimum number of directors of the Amalgamated Corporation shall be one and the maximum number of directors of the Amalgamated Corporation shall be ten. The name, address and resident Canadian status of the first directors of the Amalgamated Corporation are as follows:

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<u>Name</u>	<u>Residence Address</u>	<u>Resident Canadian</u>
Robert T. Ammerman	8814 River Road Columbus, Georgia U.S.A. 31904	No
Mark L. Hilson	5 Belvedere Boulevard Etobicoke, Ontario M8X 1J9	Yes
Nigel S. Wright	133 Ulster Street, Apt. 2 Toronto, Ontario M6G 1E7	Yes

The said first directors shall hold office until the first meeting of the shareholders of the Amalgamated Corporation or until their successors are elected or appointed in accordance with the Act.

9. The number of directors of the Amalgamated Corporation within the minimum and maximum numbers of directors provided for in the Articles of the Amalgamated Corporation shall be three and the directors of the Amalgamated Corporation shall be empowered to determine from time to time the number of directors of the Amalgamated Corporation within the minimum and maximum numbers provided for in the Articles of the Amalgamated Corporation, as the same may be amended from time to time.

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

11. The following other provisions shall apply to the Amalgamated Corporation:

- (a) (i) The number of shareholders of the Amalgamated Corporation, exclusive of persons who are in the employment of the Amalgamated Corporation and exclusive of persons who, having been formerly in the employment of the Amalgamated Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Amalgamated Corporation, is limited to not more than fifty, two or more persons who are joint registered owners of one or more shares being counted as one shareholder; and
- (ii) any invitation to the public to subscribe for securities of the Amalgamated Corporation is prohibited.
- (b) In addition to, and without limiting such other powers which the Amalgamated Corporation may by law possess, the directors of the Amalgamated Corporation may, without authorization of the shareholders, for the purpose of securing any bonds, debentures or debenture stock which the Amalgamated Corporation is by law entitled to issue, by authentic deed or otherwise, grant a hypothec or

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mortgage, including a floating hypothec or mortgage, on a universality of property, movable or immovable, present or future, corporeal or incorporeal, of the Amalgamated Corporation, and pledge, cede or transfer any property, movable or immovable, present or future, corporeal or incorporeal, of the Amalgamated Corporation.

12. The issued shares of Armtec and Big 'O' shall be converted into issued shares of the Amalgamated Corporation as follows:

- (a) the 15,106,040 issued preferred shares, Series 1 of Armtec shall be converted, share for share, into 15,106,040 preferred shares, Series 1 of the Amalgamated Corporation;
- (b) the 101 issued common shares of Armtec shall be converted, share for share, into 101 common shares of the Amalgamated Corporation; and
- (c) the 1,982,800 issued common shares of Big 'O' shall be converted, share for share, into 1,982,800 common shares of the Amalgamated Corporation.

13. The stated capital accounts of the Amalgamated Corporation immediately after the amalgamation becomes effective shall be equal to the following amounts determined immediately before the amalgamation becomes effective:

- (a) in the case of the account maintained for preferred shares, Series 1 of the Amalgamated Corporation, the stated capital account for the issued and outstanding preferred shares, Series 1 of Armtec; and
- (b) in the case of the account maintained for common shares of the Amalgamated Corporation, the aggregate of the respective stated capital accounts for the issued and outstanding common shares of Armtec and Big 'O'.

14. After the amalgamation of Armtec and Big 'O', the shareholders of Armtec and Big 'O', when requested by the Amalgamated Corporation to do so, may surrender certificates representing the shares of Armtec and Big 'O' held by them for cancellation and shall be entitled to receive, without charge, certificates for shares of the Amalgamated Corporation on the basis aforesaid.

15. The by-laws of the Amalgamated Corporation are, to the extent not inconsistent with this Agreement, to be those of Armtec until repealed, amended, altered or added to in accordance with the Act, and copies of such by-laws may be examined at the 41st Floor, 1 First Canadian Place, Toronto, Ontario, M5X 1B2.

16. The officers of the Amalgamated Corporation shall, until changed by the directors, be as follows:

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<u>Name</u>	<u>Office</u>
Chuck Phillips	- President
Ray Wilcock	- Secretary
Nigel S. Wright	- Assistant Secretary

17. Each of Armtec and Big 'O' shall contribute to the Amalgamated Corporation all of its assets together with all of its liabilities.

18. Upon and subject to the shareholders of Armtec and Big 'O' respectively approving the amalgamation of Armtec and Big 'O' and adopting this Agreement and subject to paragraph 19 hereof, articles of amalgamation in prescribed form shall be sent to the Director under the Act together with the documents required by Section 178 of the Act.

19. At any time before the endorsement of a certificate of amalgamation effecting the amalgamation of Armtec and Big 'O', this Agreement may be terminated by the directors of either Armtec or Big 'O', notwithstanding the approval of this Agreement by the shareholders of Armtec and Big 'O'.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto.

ARMTEC LIMITED

By: (signed) "Nigel S. Wright"
Nigel S. Wright,
Assistant Secretary

BIG 'O' INC.

By: (signed) "William R. Cottick"
William R. Cottick,
Secretary